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Japan

Fuji Questions USTR on Kodak's Practices

OW0610022395 Tokyo KYODO in English
0150 GMT 6 Oct 95

[FBIS Transcribed Text] Washington, Oct. 5 KYODO — Japan's Fuji Photo Film Co. said Thursday [5 October] it has sent a letter questioning Eastman Kodak Co.'s practices to the office of the U.S. Trade Representative (USTR).

The letter, with 10 questions about Kodak's practices, was delivered to USTR Section 301 Committee Chairman Irving Williamson last Friday in a renewed campaign by the two companies accusing each other of unfair practices that limit competition.

The bickering was triggered by Kodak's petition filed with the USTR seeking an investigation into Japan's consumer photographic film and paper market, which is dominated by Fuji.

The USTR started investigating the case in July under section 301 of the 1974 trade act.

In the letter, Fuji responded to Kodak's claim of price fixing in Japan by saying that prices in the Kodak-dominated U.S. market "are sometimes higher than Japanese prices for comparable types of film."

Referring to currency rates, Fuji asks, "why was Kodak not more aggressive in passing along the benefits of the dollar's depreciation to Japanese consumers?"

Fuji also claims that the number of Kodak's sales representatives in Japan to sell consumer products is "substantially lower" than what Kodak has reported.

Using such questions to rebut the complaints Kodak filed with the USTR, Fuji said in the letter, "we believe USTR's investigation in this case will not be complete if Kodak does not supply detailed factual information on these important issues."

"Although Kodak has offered one set of theories to explain its performance in Japan, we believe other facts ignored by Kodak are more probative as to Kodak's performance in Japan," the letter said.

Revival of Higher Level Talks With U.S. Sought

OW0610080995 Tokyo KYODO in English
0446 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Japan wants to secure U.S. consent to a proposal to revive vice ministerial-level talks as a venue for resolving economic and trade disagreements, two economic ministers said Friday [6 October].

Tokyo and Washington had used the venue to iron out differences until the talks were suspended in 1991.

"We want to increase the variety of venues where we would be able to discuss policies and communicate" with the United States, International Trade and Industry Minister Ryutaro Hashimoto told a news conference.

"I have instructed Vice Minister for International Affairs (Yoshihiro) Sakamoto to contact the U.S. Government" to push this proposal, he said.

Economic Planning Agency Director General Isamu Miyazaki said Japan and the United States "will revive vice ministerial-level talks."

"We want to find a new way of proceeding" with the talks, he said.

Their comments followed a NIHON KEIZAI SHIMBUN report earlier in the day which said the two countries had agreed to revive the venue and plan to use it as an "early warning system" to prevent specific trade disputes from rocking foreign exchange and money markets.

The revival is envisioned to prevent trade disputes from escalating into political issues, the paper said.

The venue will also be used to discuss certain fields where high levels of policy coordination are required, such as controversial proposals to give China membership in the World Trade Organization or to provide aid to Iran, it said.

Political Solution Sought for U.S. Base Issue

OW0610033895 Tokyo KYODO in English
0316 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — The government will seek a political solution to negotiations deadlocked by the refusal of Okinawa's governor to endorse the forced rental to U.S. Forces of private land in Okinawa, Defense Agency Director General Seishiro Eto said Friday [6 October].

"Solving the issue at the working level is difficult now," Eto said at a press conference.

He suggested an early meeting with Okinawa Gov. Masahide Ota to try to break the impasse.

"The government is determined to settle the issue through talks, while taking account of the deadline," Eto said, referring to the expiry next March of leases for part of the land.

The head of the Defense Facilities Administration Agency failed Thursday to persuade the vice governor of Okinawa Prefecture to cooperate with the central government in forcing dissident landowners to lease land to U.S. Forces.

Vice Gov. Masanori Yoshimoto told Noboru Hoshuyama, chief of the agency, that the prefectural government is ready to face a lawsuit from Tokyo over its refusal to sign documents necessary for continuing the forced rental of some land plots inside the U.S. bases in Okinawa, southwestern Japan.

Eto also said the government will make efforts to obtain an agreement from the United States on the full return to Japanese control of the eight U.S. Forces facilities in Okinawa, which a joint bilateral committee named as targets of streamlining.

Eto added he will urge U.S. Secretary of Defense William Perry to press ahead with the return of the bases when he visits Japan, probably at the end of October.

There are nearly 30,000 U.S. troops on the island, where about 75 percent of U.S. military facilities in Japan are located.

Ota last week announced his decision not to cooperate with the government over the forced leasing of land amid a public outcry over the U.S. military presence in Okinawa. The outcry was touched off by the rape of a local schoolgirl, for which three U.S. servicemen have been indicted.

'Source': No Cutbacks in U.S. Troops on Okinawa

OW0610011495 Tokyo KYODO in English 0055 GMT 6 Oct 95

[FBIS Transcribed Text] Washington, Oct. 5 KYODO — Japan and the United States are discussing issues related to U.S. military bases in Okinawa on understanding that the number of troops will not be reduced, a Japanese diplomatic source and a U.S. official said Thursday [5 October].

"The Japanese Government is not thinking of cutting U.S. troops," the Japanese source told reporters. He said Tokyo continues to support and welcome the U.S. commitments to maintain through this century some 100,000 troops in East Asia, mainly Japan and South Korea, under a defense strategic report in the post-Cold War era issued in February.

U.S. State Department Spokesman Nicholas Burns told reporters, "I do want to say that, contrary to some speculation, the Japanese Government has not requested a decrease in the number of American military personnel stationed in Japan."

"We are certainly willing to talk about consolidation of our military facilities, but that does not mean that we are going to talk about a decrease in the number of our personnel," he said.

Tokyo and Washington have been negotiating a consolidation of U.S. bases in Okinawa, where 75 percent of U.S. Forces in Japan are concentrated, under strong requests from the Okinawan prefectural government.

But the rape of an elementary schoolgirl in Okinawa in early September allegedly by three U.S. servicemen has triggered an escalating public outcry for cutbacks in the U.S. military presence and the revision of a bilateral agreement on the status of U.S. military personnel.

The Japanese source said the consolidation would create new costs for Japan, particularly the expense of providing alternative sites for bases.

The source dismissed the possibility of revising the status of forces agreement itself.

"There are valid reasons for some points that seem unfair, because unlike private individuals, military personnel belong to a state institution," he said in defending the accord, referring to special treatment allowed globally to diplomats.

To quell the outcry after the rape case, the two nations established a joint study group to improve the implementation of the criminal jurisdiction procedures under the accord.

Burns reiterated that Tokyo and Washington are not planning to revise the accord itself.

"I am not aware that the government of Japan has asked for a reordering...or renegotiation of it," Burns said, noting, "we are talking about reviewing the implementation...because of the brutal attack on the young Japanese girl in Okinawa."

Editorial on Reorganization of U.S. Bases

OW0610103995 Tokyo ASAHI SHIMBUN in Japanese 5 Oct 95 Morning Edition p 5

[Editorial: "Government Urged To Boldly Show the Way to Military Reduction"]

[FBIS Translated Text] What in the world is the Japanese Government thinking? Faced with a serious task following the rape of a girl by U.S. servicemen in Okinawa, the government is perplexed and is doing nothing but trying to prevent the rape's negative impact from spreading into the current Japan-U.S. security system. The government is all in a flurry. It is no surprise that every move has backfired.

Immediately after the incident, Foreign Minister Yohei Kono announced that the government will not "review the Japan-U.S. Status of Forces Agreement." The people's outcry escalated by this statement led Governor Masahide Ota to refuse to sign a lease for forced rental of land for use by U.S. Forces. Still, the central government is unprepared to practically address the issues in the present circumstances.

How did the government come to decide to send Noboru Hoshuyama, director general of the Defense Facilities Administration Agency, to Okinawa to placate the governor? Hoshuyama is the one who faced fierce opposition from the prefectural people for saying that "Okinawans" need to learn to "live with the military bases." Many Okinawans responded to Hoshuyama's dispatch, saying, "What is he coming here for?" In the end, the governor refused to see him and no meeting was held.

We have to say that Prime Minister Murayama and other government leaders lack political sensitivity if they dispatched Hoshuyama without anticipating such a consequence. Moreover, this proves that they are not capable of understanding the importance of issues that are at the heart of Japan-U.S. relations and Japan's security policy.

The next step the government took was an announcement made by the foreign minister and U.S. Ambassador to Japan Walter Mondale, saying that an "agreement was reached to study the possibility of promoting reorganization and reduction of bases in Okinawa." However, responses from the prefectural government and the Okinawan people have been chilly.

In addition to settlement of the three cases agreed at a January Japan-U.S. summit, including relocation of Naha Naval Port, the announcement also says that the two countries will promote base reduction regarding the 10 pending issues, for which an agreement was reached in 1990. If realized, the agreement will reduce, although gradually, the heavy burden created by the bases.

However, it is not easy to realize the agreement. Is the Japanese Government serious in addressing the issue? The Okinawa prefectural government has a distrust of the central government, which has accumulated over the years.

In the past, when three Okinawa development plans were announced, the central government promised time and again that it would "scale down" the U.S. military bases "as soon as possible." Although 23 years have passed since Okinawa's reversion to Japan, only about 15 percent of the entire land used as military bases has been returned.

Of the three special cutback programs agreed to this year — 50 long years after the war — the return of Naha Military Port is conditioned on "transfer" of facilities to adjacent Urasoe city. Urasoe strongly opposes this precondition and there is as yet no prospect of realizing the agreement.

Although headlines proclaimed "reorganization and reduction" of military bases, this did not immediately result in an easing of the burden Okinawans carry.

Those who depend upon military facilities for their livelihood must feel uneasy about base reduction. However, prefectural and municipal governments have introduced plans one after another for use of land now used as military bases after it is returned to its owners. The perception that reduction of military bases is essential to Okinawa's development is taking root among Okinawans.

The government should not turn away its eyes from this fact. The U.S. Military is saying that it wants to maintain a 100,000-troop presence in Ease Asia for the time being. The government should have specific plans for reorganization and reduction of the military bases on Okinawa while comprehensively reviewing ideal ways of Japan-U.S. security cooperation, including the merits and demerits of the U.S. Military presence. The government should also keep in mind the possibility of relocating some of the U.S. troops to the main islands of Japan and troop deployment elsewhere in East Asia.

The government must immediately declare on its own the deadline for completing at least the scaledown of the three facilities already agreed upon.

The Japan-U.S. summit, in which the leaders are to proclaim the security system's significance, is drawing near. However, the risk-avoidance attitude of keeping things calm for the sake of the summit impairs Japan-U.S. relations in the long run. Contrary to the government's intentions, such a stand would harm, rather than help, security cooperation.

Editorial on Handling of Rape Case, Base Issue

OW0510145295 Tokyo SANKEI SHIMBUN in Japanese 4 Oct 95 Morning Edition p 2

[Editorial: "Sentimental Arguments Should Not Undermine Japan- U.S. Relations"]

[FBIS Translated Text] The alleged rape of a local schoolgirl by U.S. servicemen in Okinawa Prefecture has now developed from the issue of reviewing the Japan-U.S. Status of Forces Agreement [SOFA] into the issue concerning U.S. military bases. The rape case should not be pardoned. The unequal agreement, which allows the U.S. Forces to detain their servicemen suspected of committing crimes until an indictment is issued, should be reviewed. In this context, Okinawa Prefecture Governor Masahide Ota has refused to sign documents for the forced renewal of contracts allowing private land to be used by U.S. Forces on behalf of landowners who refuse to sign. In Okinawa, there are views that since the stationing of U.S. Forces there, crimes have been increasing, and therefore, U.S. military bases should be withdrawn from Okinawa. When two different matters, which are mutually entangled, are discussed at the same time, there is a danger that a conclusion or the drift of arguments might be led in an inconceivable direction. It is hoped more than anything else that the current Okinawa issue will be dealt with in a cool-headed manner.

There is no room to vindicate the rape case itself. U.S. President Bill Clinton tendered an apology for the case. However, there are a few things to discuss about the SOFA issue, the theme stemming from the rape case. Sub-Section C, Section 5 of Article 17 of the SOFA stipulates that U.S. servicemen arrested by the U.S. Forces' authorities for committing crimes outside the base are detained on the base until they are indicted — (inquiries are conducted by the Japanese police). There are some circumstances regarding the history of the SOFA's conclusion. Nevertheless, it is not wrong to demand improvements in the article from the position of restoring sovereignty. However, it is feared that, as is often seen in personal relationships, the way something is said may undermine relations with the United States, which are extremely important for Japan. Haste and rigid demands should not be lodged. Properly speaking, the security issue and the criminal act by U.S. servicemen should be argued on different levels.

Under the current situation, the most careful consideration must be given to Okinawan people's sentiments on U.S. military bases in Okinawa. At present, U.S. military bases occupy approximately 20 percent of the main island of Okinawa, and as much as 75 percent of all the military facilities used by U.S. Forces in Japan are concentrated there. Just before the 1972 reversion of Okinawa to Japan, U.S. military facilities occupied more than 130 cites and over 14 percent of Okinawa Prefecture, the most ever. Compared with that situation, the reorganization and consolidation of military bases have been considerably effective. However, it is undeniable that the situation, in which U.S. military facilities account for 10.5 percent of Okinawa Prefecture and nearly 20 percent of the Okinawa main island, has hindered Okinawa's development. We must understand that mounting anti-bases sentiments in the wake of the schoolgirl rape case are based on Okinawan residents' smoldering dissatisfaction with this situation concerning U.S. military bases.

The central government reportedly plans to clearly spell out the reorganization and consolidation of military bases on Okinawa in a joint communique to be issued after the Japan-U.S. summit meeting scheduled for November. Nevertheless, in view of the purport of the Japan-U.S. security treaty, there is little possibility that the number of military bases will be drastically reduced. We should also consider the idea that a portion or a considerable part of reduced U.S. military bases in Okinawa will be transferred to the Japanese mainland so that the mainland Japanese and the Okinawan people can share the burden pertaining to the presence of U.S. military bases — the burden that only the Okinawan people have so far shouldered.

French Justification of Nuclear Tests Cited

OW0510115395 Tokyo KYODO in English
1005 GMT 5 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO — France is justifying its controversial series of nuclear tests in the South Pacific as necessary to ensure peace and stability through nuclear deterrence, according to remarks of French officials made separately to some Japanese lawmakers in Tokyo and a group of children in Hiroshima.

A suprapartisan group of Diet members invited French Ambassador Jean-Bernard Ouvrieu to the House of Representatives on Thursday [5 October] to demand a halt to the French nuclear tests.

Ouvrieu remarked, however, that Japan is covered by the U.S. nuclear umbrella and that the issue is that a country must clearly have a nuclear deterrent, Japanese participants said.

The ambassador also told the members of a Japan-French parliamentary friendship league that France announces its tests in order to be more transparent than China about its nuclear tests.

Meanwhile, a French presidential aide wrote in a letter to a group of Hiroshima children that "(nuclear) deterrence is one element that cannot be omitted in considering peace and stability in Europe."

Bertrand Landrieu, responding for French President Jacques Chirac, also told the children that evidence shows that the nuclear tests do not harm the people in the area nor damage the environment.

The letter, written in French, was received Thursday by the Sadako Club Hiroshima, a group of 16 Hiroshima children who wrote in September that "for our future, we do not need nuclear weapons or nuclear pollution."

In the past month, France has conducted two nuclear tests in the South Pacific region despite the demands of governments and antinuclear activist groups to stop testing.

France plans to carry out a total of eight tests by next May prior to the conclusion of a treaty banning nuclear testing.

Tokyo Asks France Not To Conduct Nuclear Tests

OW0610050195 Tokyo KYODO in English 0301 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Vice Foreign Minister Sadayuki Hayashi on Friday [6 October] reiterated Japan's call on France to halt its resumed nuclear testing, a Foreign Ministry official said.

Hayashi made the call in a 20-minute meeting with French Ambassador to Japan Jean-Bernard Ouvrieu, the official said.

Ouvrieu told Hayashi he is glad France and Japan are maintaining a dialogue despite "unhappy" row over the French nuclear testing.

Hayashi was quoted as telling the ambassador that although the ministry will continue efforts so that the nuclear problem will not harm bilateral relations, public opinion in Japan is especially harsh since France conducted a second nuclear test earlier this week.

Hayashi also explained Japan's plan to send former UN Ambassador Yoshio Hatano to New York next week to spur initiatives to adopt a UN resolution calling for an end to nuclear testing, the official said.

Editorial: French Tests 'Cannot Be Justified'

OW0610120695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Oct 95 Morning Edition p 2

[Editorial: "French Nuclear Testing Cannot Be Justified"]

[FBIS Translated Text] Ignoring wishes of many people all over the world, France carried out the second of a series of resumed nuclear tests on Fangataufa Atoll, which is about 40 kilometers south of Mururoa Atoll, where the first test was conducted. The size of the test was over five times larger than the previous one. France's continuing the nuclear tests runs counter to nuclear disarmament, a call of the times, and is extremely regrettable.

There are many questions about the stand of France, which has conducted the nuclear tests in face of opposition. The first question is what are the tests' merits and demerits? Although it can obtain advanced technologies from the nuclear arms, France will never be able to use them. In other words, they are technologies of no practical use.

At the same time, the boycott movement against French products is spreading further than we expected. Not only Australia and New Zealand, but other countries, including Japan, Germany, and Sweden, have launched a boycott of French wines and luxury products. Although a French Government official said that, "So far, there has been no serious impact on the economy," if France continues nuclear testing, there is a strong possibility that the boycott will prevail.

Comparing the unpractical nuclear arms technology with the boycott of French products, France will surely lose more than it will gain. Moreover, if France falls into international isolation, it will incur uncountable losses.

The second question is France's view about nuclear deterrence. If nuclear deterrence should be rationalized, all armed strifes could be prevented by the presence of some nuclear power. It is questionable how effective advancement of French nuclear technology will be in preventing armed disputes in the world. If it asserts that nuclear weapons are essential to ensure its national security, France will not be able to deny the opinion that current nonnuclear powers should possess nuclear arms as well.

Third, the question will be posed about the propriety of France conducting nuclear tests in the South Pacific. Though the region where the tests were conducted is French territory at present, it is a remnant of France's colonial rule. Properly speaking, in any region, it is the residents themselves who should decide on how to use their land. Using the land on which foreign races live as a nuclear testing ground is superpower arrogance, though it is French territory.

The French nuclear tests cannot be justified from any aspect, and do not benefit France much. It is nonsense for it to stick to the nuclear testing as a superpower. Japan should continue to seriously protest it. France ought to understand nonnuclear powers' stand, sentiments of people living near the test site, and wishes of citizens all over the world. France will surely rise in international community's estimation by studying ways to abolish nuclear arms rather than forcing through nuclear testing.

Foreign Minister Welcomes Bosnian Cease-Fire

OW0610020495 Tokyo KYODO in English 0145 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Japan welcomed Friday [6 October] the cease-fire agreement among Bosnia- Herzegovina's warring factions, which was reached Thursday in an attempt at ending four years of ethnic strife.

"Japan greatly welcomes it," Foreign Minister Yohei Kono said. "Japan has been urging all warring factions to sit at the negotiating table. We welcome the fact that finally such a situation emerged."

For the time being, Kono said, Japan will try to "obtain information," such as through an international conference in Rome, and then decide what role it could play in the Bosnian situation.

Japanese Ambassador to Austria Tsuyoshi Kurokawa is attending the two-day conference in Rome to discuss the Balkan strife.

It is the first time Japan has attended an international conference on the conflict in the former Yugoslavia along with the so-called contact group countries — the United States, Russia, Britain, Germany and France.

On Thursday, U.S. President Bill Clinton announced that Bosnia's warring factions had agreed to end all hostile military activities throughout Bosnia-Herzegovina on Oct. 10 and begin peace talks.

Governors' Meeting With Russia Postponed

OW0610105795 Tokyo KYODO in English 0928 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — A meeting between governors from Japan and Russia's far east provinces planned for Oct. 25-26 has been postponed at the Russian side's request, Foreign Ministry officials said Friday [6 October].

The Russian side has informed the Japanese Consulate General in Vladivostok that it wants to delay the meeting, which was to be held in Vladivostok to discuss promoting cultural, economic and technological exchanges, the officials said.

The Russian side was quoted as citing scheduling problems of the Russian governors and preparations for the upcoming elections in December as reasons for the postponement.

It is not yet clear when the meeting will be rescheduled, the officials said.

Governors from 16 Japanese prefectures, mainly those located on the Sea of Japan, and five Russian far east provinces were to gather for the two-day meeting.

Cultural and economic experts as well as government officials of both sides were also scheduled to join the meeting to discuss cultural and economic exchanges, and technical cooperation between the two sides.

Takemura To Engineer G-7 Accord To Weaken Yen

OW0610042295 Tokyo KYODO in English 0412 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Finance Minister Masayoshi Takemura vowed Friday [6 October] to negotiate a deal to further bring down the value of the yen when he meets with other finance chiefs of the Group of Seven (G-7) industrialized nations at a gathering slated to start Saturday in Washington.

Takemura suggested at a news conference that the agreement to engineer an "orderly reversal" of the yen's sharp upswing at the previous G-7 meeting earlier this year has not been fully implemented, saying that the yen-dollar exchange rate is still "in the process of bringing about an orderly reversal."

"I would like to secure cooperation from other countries to coordinate efforts to expedite the trend of an orderly reversal further," he said.

His comments came several hours before departing for Washington, where he and Bank of Japan Governor Yasuo Matsushita will discuss international monetary affairs with the finance ministers and central bankers of the G-7 countries.

"I expect that (the G-7 finance chiefs) will express their shared understanding (on the need for a weaker yen) in the form of a communique or a G-7 chairman's statement," the minister said.

As for the $1.1 billion investment loss at Daiwa Bank's New York branch, he said he will brief the G-7 finance chiefs on the situation "as an individual regrettable case" if the G-7 chiefs seek his explanation on the issue.

"I am under the impression that this problem overlaps that of the nonperforming loans (gripping Japanese financial institutions) in the eyes of foreign countries, so I will distinguish the two issues clearly in my explanation," he said.

He said he perceives as "very serious" a news report that Daiwa Bank temporarily moved in 1992 financial records of the loss at a bond-trading division and the trader who racked up the loss at the New York branch where the loss occurred to another office in a bid to obstruct a probe by the New York Federal Reserve Bank.

The member bank of the U.S. Federal Reserve System sent inspectors to the bank's New York office in November 1992, when the trader Toshihide Iguchi was working.

"Although I have not received a report on that, it would be a very serious matter if the news report is true," he said.

"If the superiors (of Iguchi) were also involved, it would be very problematic," he said.

Daiwa bank said on Sept. 26 that Iguchi racked up the huge losses between 1984 and 1995 and hid them from his superiors by falsifying transaction books and records.

Meanwhile, Takemura may be able to extend his stay in Washington until Monday to attend an interim committee meeting of the International Monetary Fund if his schedule of attending a parliamentary session can be adjusted, government officials said.

Takemura is currently scheduled to return home on Monday morning.

Takemura Leaves for G-7 Meeting in Washington

OW0610104495 Tokyo KYODO in English 0933 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Finance Minister Masayoshi Takemura left Friday [6 October] for Washington to attend Saturday's meeting of finance ministers and central bankers from the Group of Seven (G-7) major industrial nations.

The G-7 session, hosted by U.S. Treasury Secretary Robert Rubin, will open at noon at the Treasury Department and last five or six hours.

The G-7 officials are expected to discuss macroeconomic policy, currency issues, countermeasures against financial crises, aid to Russia and Japan's banking problems, Japanese Government sources said.

The G-7 nations comprise Britain, Canada, France, Germany, Italy, Japan and the United States.

Prior to the meeting, Takemura and Rubin may hold bilateral talks, arrangements for which are still under way, the sources said.

Takemura is due to return to Tokyo on Monday morning because of his parliamentary schedule and will not join a spate of international gatherings opening Sunday of the International Monetary Fund (IMF) and the World Bank.

The meetings include semiannual gatherings of the policy-making IMF interim committee, a joint development committee of the IMF and the World Bank, and an annual convention of the two institutions.

Bank of Japan Governor Yasuo Matsushita, together with Vice Finance Minister for International Affairs Takatoshi Kato, will represent Japan at the meetings.

MOF To Publicize Soundness of Banking System

OW0610120995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Oct 95 Morning Edition p 3

[FBIS Translated Text] The Ministry of Finance [MOF] and Bank of Japan [BOJ] will take advantage of the series of international monetary conferences beginning in Washington this weekend to exert utmost efforts to clear doubts about the Japanese banking system.

Finance Minister Masayoshi Takemura will explain the Japanese Government's position on liquidating bad loans at his meeting with the U.S. treasury secretary and at the G-7 meeting of finance ministers and central bank governors to seek the advanced nations' understanding. Senior MOF and BOJ officials will also explain to Western bankers measures being taken to prevent the recurrence of incidents similar to the Daiwa Bank scandal and the situation of the Japanese bad loans.

The MOF and BOJ are deeply concerned that "additional interest charged on Japanese banks (the so-called Japan premium)" in the aftermath of the recent series of bank failures and the Daiwa Bank incident "may become permanent" (according to the MOF International Finance Bureau). They believe that the reason for this is that "information on the business operations of Japanese banks and bad loans is not conveyed accurately." They will hold briefings during or between the international conferences to seek the understanding of top foreign financial officials and bankers.

The MOF and BOJ will show data to explain that the ratio of bad loans requiring additional funding in the combined bad debts of 21 city banks conducting regular transactions with foreign banks has fallen from 45 percent at the end of March 1993 to 26 percent by March 1995.

Briefings will also be held on steps to be taken to tighten supervision of Japanese banks and to improve information disclosure; and on the liquidation of the housing loan companies, which is a topic of great international concern.

Ministry Begins Probe Into Daiwa Bank 'Fraud'

OW0510113295 Tokyo KYODO in English 0943 GMT 5 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO — Japanese Vice Finance Minister Kyosuke Shinozawa voiced concern Thursday [5 October] over the possible negative impact of the fraud at Daiwa Bank on Japan's overall banking sector.

"We have to worry because the scandal was disclosed at a very bad time," Shinozawa said at a news conference in apparent reference to the faltering banking industry's huge bad loans.

Daiwa Bank, one of Japan's 11 major commercial banks, said last week that it suffered $1.1 billion in losses from unauthorized deals by a bond dealer at its New York branch.

Anxiety is already mounting over the scandal's effects on fund-raising activities overseas by Japanese banks, which have already been slapped with additional interest rates on lending called the "Japan premium" due to their bad loan problem.

The Finance Ministry began a probe Thursday into the background to the scandal, including alleged violations of disclosure rules.

U.S. authorities have charged that Daiwa Bank did not promptly report the scandal to regulators after learning of it internally.

Shinozawa said his ministry will not make public the outcome of its investigation.

"The ministry hopes Daiwa will conduct full research into the case and explain about it on its own," Shinozawa said.

'Source': Daiwa Moved Traders, Trade Records

OW0610084495 Tokyo KYODO in English
0733 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Daiwa Bank temporarily moved a few bond traders and financial books in November, 1992, from New York's downtown branch to another branch in the city to mislead inspectors from the Federal Reserve Bank of New York, Daiwa sources said Friday [6 October].

The disclosure came 10 days after the bank said the downtown branch's treasury bond trader, Toshihide Iguchi, 44, racked up 1.1 billion dollar losses between 1984 and 1995 in unauthorized trading and hid them from his superiors by falsifying transaction records.

"Although we believe Iguchi's superiors were not aware of the illicit transactions," a Daiwa official said, "we will pursue an in-house probe into such matters as how the superiors were involved" in relocating the traders and financial books.

Financial sources said Daiwa temporarily relocated the traders and books for fear that the Federal Reserve inspectors would criticize the bank for neglecting to split up its bond-trading and bond-custody operations, a factor blamed for giving Iguchi the leeway to fabricate the financial records.

The sources said that Iguchi may have been among those bond traders moved to New York's midtown branch office.

In 1986, Daiwa told fed that it would limit the operations of the downtown branch to bond-custody, and move bond-trading operations to the midtown office, they said.

However, Iguchi and other traders continued to trade in treasury bonds from the downtown office, they said.

To conceal its failure to follow through with its notification, Daiwa temporarily relocated the traders and books to the midtown office, the sources said.

During an on-site checkup a year later, however, Daiwa concluded the deception would eventually come to light, and notified the visiting inspectors from the Federal Reserve Bank of New York that it had misled the Fed inspectors, they said.

At that time, Daiwa gave verbal admonitions to some 10 executives of the New York branch office, including then branch head Hiroyuki Yamaji, who is now serving as a managing director of the bank's Osaka headquarters, they said.

The Federal Reserve Bank and Daiwa notified the Japanese Finance Ministry and the Bank of Japan of these incidents at that time.

The ministry, which kicked off its own probe into Daiwa this week, plans to determine whether Iguchi's superiors at Daiwa helped him to conceal the illegal transactions, they added.

Iguchi was arrested in New Jersey last month on suspicion of falsifying financial records to conceal his trading losses.

In a related development, Daiwa is scheduled to submit a plan on Friday to the Federal Reserve Board and the New York State Superintendent of Banks, stating that it will halt most of the bond trading at its New York branch, sources close to the bank said.

The plan obligates the bank's branch to shut down all of its treasury bond trading except in those cases where its customers' bonds would be subject to price fluctuation risks if the bank does not sell them, they said.

MOF Orders Probe of Overseas Bank Management

OW0610142095 Tokyo MAINICHI SHIMBUN
in Japanese 5 Oct 95 Morning Edition p 1

[FBIS Translated Text] The Ministry of Finance [MOF] announced on 4 October that it issued an emergency directive to city banks and all other Japanese banks to probe the internal management system of their overseas branches and submit reports to the ministry by 13 October. Its action came after the scandal involving Daiwa Bank, which incurred vast losses from unauthorized U.S. Government bond transactions at its New York branch. In addition to the bad loan problems plaguing the nation's financial institutes, the Daiwa scandal may drastically impair Japan's financial credits with foreign countries. Concerning this, the MOF decided to launch the emergency probe into Japanese banks all over the world.

According to the MOF, a directive was issued in late September, immediately after the revelation of Daiwa Bank's massive losses on 26 September. Not only city banks, but also all regional banks, second regional banks [daini-chigin], and credit banks are subject to the directive if they have branched out overseas. The MOF has asked for a probe in every financial stronghold abroad, including New York, London, and Hong Kong.

In Daiwa's case, it was said that illegal dealings were not detected for quite some time [11 years] because the bank assigned only one executive to take care of the U.S. bond transactions and their management. The scandal uncovered the perfunctory internal management practiced by Japan's financial institutes abroad. Furthermore, it also surfaced another problem area: sloppy overseas inspection by the MOF and Bank of Japan.

Trying to learn a lesson from the scandal, the MOF requested all banks conduct thorough investigations. Some banks are considering including investigating the outstanding balance of securities actually held by overseas branches, including certificates of balance from trust banks, into their report to the MOF.

Finance Minister Masayoshi Takemura told a news conference on the morning of 4 October, "The MOF must reflect its failure to find wrongdoings and will take specific measures to deal with it." Based on results of the emergency probe, the ministry will formulate measures to prevent recurrence of the same incident, including the review of the inspection system.

Authorities Blamed for Nonperforming Loans

OW0510134595 Tokyo KYODO in English 1154 GMT 5 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO — Prime Minister Tomiichi Murayama indicated Thursday [5 October] that monetary authorities are partly responsible for the massive nonperforming loans plaguing Japanese financial institutions.

Speaking at a plenary session of the lower house of the Diet, Murayama said, "I do not think that monetary authorities' check mechanisms worked well during the time the 'bubble' economy emerged and burst."

On the bad-loan problem of housing loan companies, he expressed hope that countermeasures will be mapped out by the end of this year, saying the parties concerned must cooperate to compile concrete measures to solve the problem.

Takashi Yonezawa, deputy president of the largest opposition party Shinshinto, said he doubts if the second supplementary budget for fiscal 1995 will be able to help revitalize the economy.

But Murayama said there are bright signs in foreign exchange and stock markets. Largest-ever pump-priming measures, which were announced last month, are adapted to the present economic situation and will be effective, he said.

By implementing the 14.2 trillion-yen economic stimulus measures, the economy is expected to begin to recover in the latter half of the current fiscal year, he said. He called for early formation of a second supplementary budget plan and related bills.

Use of Public Funds Approved Despite Opposition

OW0510135295 Tokyo KYODO in English 1227 GMT 5 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO — An advisory panel to the finance minister gave the virtual go-ahead to the conditional use of public money for dealing with bad-loan problems despite one member's strong opposition, it was learned Thursday [5 October].

The minutes of the panel's discussion, made available to KYODO NEWS SERVICE, show discussions on a draft submitted by the Finance Ministry on Sept. 27 for the panel's compilation of an interim report on how to restore confidence in Japan's financial sector. The report did not mention the dissenting opinion.

According to the minutes, most panel members were in favor of the proposed use of public money for the liquidation of bad loans in light of the urgency of the problem facing housing loan companies.

But a member representing consumers voiced strong opposition to the proposal, saying that "as a taxpayer" the use of public money was not acceptable, panel sources said.

The ministry's disclosure of information on how effectively the use of taxpayers' money would cope with the problem and how much public money is needed is not enough to win popular support for using taxpayers' money, the member said.

But the record quoted Ryuichiro Tachi, chairman of the panel seeking means to stabilize Japan's financial system under the Financial System Research Council, as saying that taxpayers would suffer large losses if the nation's financial system collapsed.

"Absolute opposition to the use of public money would bring discussions nowhere," said Tachi, a professor emeritus of the University of Tokyo, according to the minutes.

To secure the panel's support for the interim report, he said it is a temporary step toward compiling a final report, which is expected to be released at the end of this year.

The adopted interim report did not mention the strong opposition of one of the panel members to the use of public money, on the grounds that reference to it would tone down the urgency of housing loan companies' bad-loan problems. The report merely stated that more debates are needed to win taxpayers' understanding of the use of their money.

The report gave the nod to the use of public money if depositors would have to shoulder costs in liquidating a failed financial institution and if a delay in dealing with bad loans could adversely affect the nation's financial system as a whole.

Although the report has offered the basis for parliamentary discussion which started at the end of September on Japan's banking system, a senior banking bureau official of the ministry admitted it may not reflect popular views, as a majority of the Japanese people probably oppose the use of their money for such purposes.

The panel is comprised of 27 members, including 10 from the financial sector. It has not disclosed the minutes of discussion.

Ministry: Current Account Surplus Increasing

OW0510005995 Tokyo KYODO in English 0016 GMT 5 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO — Japan's current account surplus in August soared 23.1 percent from a year earlier to a seasonally unadjusted $7.58 billion, posting the first growth in three months, the Finance Ministry said Thursday [5 October].

The trade surplus, the main component of the current account, fell 0.6 percent to $8.70 billion in the reporting month, the ministry said in a preliminary report.

Exports rose 11.9 percent to $34.01 billion and imports rose 16.9 percent to $25.31 billion, it said.

Analyst Says Deregulation To Spur Growth

OW0510142395 Tokyo EKONOMISUTO in Japanese 26 Sep 95 pp 46-48

[Article by Yoshikazu Kano: "Implementation of Deregulation Will Spur 3 to 4 Percent Growth Rate"]

[FBIS Translated Text] Now that the stock market has finished making adjustments, the Japanese economy has started on the road to self-sustained recovery. With the support of policies promoting deregulation, a growth rate of 3 to 4 percent is possible.

Stock Adjustment Period Over

Basically, I believe that the economy of Japan is moving in a midterm upswing. After the bubble economy burst, the biggest factor in the decline of the Japanese economy was the stock market's downward adjustment, I think that the economy has entered a stage of self-sustained recovery.

Of course, as we know from the remaining burden of several tens of trillion yen in bad debt, we cannot ignore the impact of capital deflation. However, the impact of this on macro production activities is minimal compared to the effect of stock market adjustments. Especially noteworthy here is that the market has finished making capital stock adjustments.

So let me move on to why I say the market is done adjusting. Time has passed and there have been new advances in technology. First, stock market adjustments in durable goods and inventory holdings were complete the year before last. Where automobiles and consumer electronics are concerned, there was inordinate demand during the peak of the bubble growth spurt that in turn pushed up stock prices. However, since last year, there has been renewed consumer demand for replacement products.

At this stage, we have seen major moves in private plant and equipment investment, making it possible to say that adjustments of capital stock are also complete. Excepting the two arenas of real estate and construction wherein lay the problems of the bubble growth era, investment in equipment has hit bottom and is now rising, albeit barely. Renewed private investment in equipment upgrades is driven by: (1) gains in corporate incomes made through restructuring; (2) completion of inventory adjustments; (3) the climbing vintage rate (average age of equipment and material) resulting from withholding investments in upgrades over the past several years, and (4) technological advances (especially in the field of information services), and so forth. Once these many factors re-ignite the spark of private equipment investment, business conditions normally tend to improve for a period of at least three years.

Undoubtedly, the great Hanshin earthquake at the beginning of this year, and the stock market adjustments and yen fluctuations which accompanied the subsequent demand for reconstruction, were all factors slowing economic recovery. However, inventory adjustments should be complete before the coming winter, and the present hovering of the weak yen [as published] around 90 yen to the dollar is likely to settle at around 100 yen to the dollar. Because of the three nation (Japan-U.S.-Germany) joint cooperative intervention in purchasing dollars in their attempt to secure an "orderly rebound of the dollar," few think that the yen will grow even stronger in the future. Additionally, the decreased risk in foreign exchange transactions led to a growth in investments in U.S. bonds after the month of May. In recent years, the growing participation of numbers of individual investors has led to expectations that the exchange rate of 100 yen to the dollar will last. This too will have a positive influence on the economy.

It is not necessary to be too concerned about the issue of defaulted debts. The aggregate default is estimated to be between 40 and 50 trillion yen. On the other hand, the total extended capital of 21 financial institutions including metropolitan banking firms, long term credit banks, and trust companies, is at 400 trillion yen, with another 300 trillion by financial institutions accepting deposits, for a sum total reaching 700 trillion yen. The bad debt ratio is small in comparison to the Great Depression of the Showa Era and to the controversial U.S. savings and loan crisis. In effect, the present situation is manageable on the whole, and the likelihood of conditions giving rise to future instability is low. This is not a macroeconomics issue, although it is surely the foremost operations problem which the individual financial institutions must address. Whatever is done, every effort will be made not to disrupt financial systems, and it is expected that any negative impact on the economy can be avoided.

There are also the improvements in corporate income. One security firm is anticipating a 20 percent rise in revenues by the March 1996 fiscal year closure on the basis of 95 yen to the dollar, but I believe we can expect as high as a 30 percent increase. Though poor employment prospects are dampening the growth of consumption, the problem can be resolved when stock market and production levels return to their normal state. Business expansion should continue focused on plant and equipment investments and rising consumption.

Deregulation is "Ace in the Hole"

As the Japanese economy enters a stage of self-sustained recovery, this recovery can only be maintained by a package of supporting policies.

First and foremost, deregulation is a must. In the economic stimulus package to date, the only policies evident so far have been Keynesian measures such as fiscal and funding stimuli. But funding stimuli appear to be "worn out" and the official discount rate has already been lowered to the incredibly low level of 0.5 percent. Implementation of additional support policies should negate any impact of stock sales resulting from frustrated expectations; support policies will also contribute to stable yen and stock share prices. One way or another, this will be a factor in maintaining economic recovery. Yet there are few voices calling from today's industrial circles for implementation of such fiscal policies. Moreover, policies for infusing funds are nearly at the limits of their effectiveness. While economic policies demand innovation, the primary issue that must be addressed is deregulation. This is because deregulation will expand real demand.

Let me cite an example. Note the propagation of cellular phones. In April last year, the older system of leasing cellular phones was dropped in favor of a direct purchase system. The switch led to severe competition, costs dropped and rates were lowered as sales exploded. Consequently, capital investment is up and employment opportunities have expanded. This is just one small example, but surely one that excellently illustrates the effectiveness of deregulation. The effects of deregulation are "fast, efficient, and lasting."

Especially desirable is deregulation of the constraints on leasing land and housing. The existing laws governing land and house leases emphatically uphold lease holder rights. Once landlords rent out their land and/or house, those properties are not easily retrieved. For landlords to retrieve their property, some 70 percent of the lease value of the property must be handed over to the lease holder. This creates a situation in which landlords are too afraid to lease out their properties. As a result, there are many vacant lots and low-rise housing strewn throughout the 23 wards of Tokyo where high rents are a given. Land is not being used efficiently.

Thus the proposals for enactment of "fixed-term lease" legislation. Such legislation will allow landlords the freedom of not renewing leases upon expiration. Under the law as it now stands, so long as lease holders do not fail to pay their rent, landlords are compelled to renew leases. The enactment of legislation allowing fixed-term leases will put landlords on equal footing with the lease holders.

As a further extension, we can expect a boom in construction of rental units for families which would use the now idle lots in the 23 wards of Tokyo. Many white collar workers now reside in "expensive, distant, and cramped" housing far removed from their work sites, but the ready availability of vast numbers of rental units in downtown areas will give rise to satisfaction with rented homes. Expensive loan repayments will not be a pain for those who are lease holders and what are now just dreams of living within a 30 minute commute will come true. If enough of these rental units are available, everyone will want to live in them. A change in the current system is sure to ignite a housing boom in Tokyo's 23 wards.

Deregulation implemented in such a way, I am confident, will unearth the vast reserves of real demand through the unleashing of the profit motive in the private sector.

At this point, with deregulation not yet in progress, — that is to say, the system still prevents the public from acting from pure profit motives — the appropriate remedies to stimulate the economy become investment of public funds and tax reductions. However, these lead only to greater deficits. The focus has to be on uncovering the vast reserves of real demand through deregulation.

In addition, the competitiveness of domestic industries will be strengthened. Those who complain about their inability to secure competitive positions in the domestic market, citing the high cost of labor, are among the relatively lower ranking industries. Such industries are sooner or later forced to flee to foreign bases. On the other hand, those who complain about high power rates, high transport toll rates and high land lease rates, are the ones protected by the regulations. For example, it is absurd to believe that the factors cited above are cause for industries to move out of the country. The system is at fault.

Once a system implements fixed-term housing and land leases as its pillars, the number of people seeking to purchase land is sure to drop drastically, speeding the downward trend in land prices. This will reduce the number of businesses using high land costs as an excuse for problems in establishing competitive positions in domestic markets. Eventually road toll and power rates will also drop. Public utility rates will not only be prevented from rising, there will likely be need to drop rates.

Japan's manufacturing concerns are powerfully competitive. Despite the astronomical costs of high public utility rates and other government restrictions, they are still internationally competitive. If regulations are relaxed and production costs and protected industries are brought to international standards, we may have to worry again about problems of over-exporting but...(ellipses as published] Implementing deregulation is simply expected to enhance the competitiveness of our domestic industries. As such, it will also serve as a measure to combat industrial hollowing. Of course, yet another effect of deregulation is that the way is paved for new innovations. This is all expected to strengthen the economy of Japan.

Making Good Use of East Asian Markets

There is one more thing to keep in mind in steering the Japanese economy toward expanded equilibrium, that is, how to make use of the dynamic expansion of the economies of East Asia. East Asian countries are now hitting 7 percent annual growth rates. The ever- expanding economies of East Asia offer Japan opportunities for sizable future benefits in exporting capital assets.

If we can produce at low cost in East Asia and import the finished products back to Japan, Japan's purchasing power will be effectively enhanced 30 to 40 percent. The excess buying power gained through this process will therefore have the positive effect of expanding the buying power affecting other goods of other industries. If and when an international division of industries is set up among the nations of East Asia, the Japanese economy will certainly expand.

Let me re-organize these thoughts here.

In fiscal 1995, the economy of Japan completed its market adjustments and began a self-sustained recovery. Requisite to maintaining this expansion is the implementation of thorough deregulation and economic restructuring. Deregulation will not only stimulate the entire economy, but will have the added benefit of creating real demand which will enhance international competitiveness. Therefore, deregulation is a prerequisite for future economic growth. This is the point at which we must review the current package of economic stimuli. It is incredibly fortunate that the government can generate real demand without further government expenditure. My note on the need for innovation in drawing up economic policies is a reflection of this point.

In conclusion, I think that it is possible for the Japanese economy to achieve a mid-term growth rate of around 3 to 4 percent provided through the implementation of deregulation and further cooperation with the economies of East Asia.

Liquor Tax Issue 'Not Subject' of Deregulation

OW0410141795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Oct 95 Evening Edition p 3

[FBIS Translated Text] A dispute settlement panel was formed in the wake of a call made by the United States and other countries, who say that Japan's tax rate on whisky is higher than that on shochu [Japanese spirits distilled from sweet potatoes, rice, etc.]. In this regard, Takami Eto, director general of the Management and Coordination Agency, said at a news conference held after a cabinet meeting on 3 October: "The liquor and cigarette taxes constitute only 1 percent of tax revenues. Is it not true that, domestically speaking, (liquor tax) is not the subject of deregulation? What is wrong with keeping expensive liquors high-priced?"

Murayama Urges Probe of Alleged Minister's Deal

OW0610041095 Tokyo KYODO in English 0259 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Prime Minister Tomiichi Murayama ordered his chief lieutenant to scrutinize Justice Minister Tomoharu Tazawa's alleged secret deal with opposition parties to skirt parliamentary questioning over an unreported loan from a major religious group.

Murayama, who heads the Social Democratic Party (SDP), conferred with the heads of the two other ruling coalition partners — International Trade and Industry Minister Ryutaro Hashimoto of the Liberal Democratic Party (LDP) and Finance Minister Masayoshi Takemura of new party Sakigake [Harbinger].

As Tazawa is a legislator from the LDP, the premier ordered Hashimoto, who is also deputy prime minister and LDP president, to investigate the matter and report back to him, Chief Cabinet Secretary Koken Nosaka told a news conference.

Hashimoto is expected to present to Murayama the outcome of his party's probe "as quickly as possible," Nosaka said, adding the premier may decide to meet Tazawa in person for questioning.

The premier's order came after the daily YOMIURI SHIMBUN reported in a Friday [6 October] morning front-page article that Tazawa asked the opposition parliamentary group Heiseikai in the House of Councillors not to ask questions about the 200 million yen loan from the lay Buddhist organization Rissho Koseikai.

In return, the justice minister assured the group of his opposition to the government's plan to revise the Religious Corporation Law, the paper said.

Tazawa denied the allegation that he made a secret deal with Heiseikai, which groups members of Shinshinto (New Frontier Party) and Komei.

Murayama sees the alleged deal as "extremely serious," Nosaka said, noting a conclusion should be drawn "very speedily."

Heiseikai opposes the revision, which was proposed after the Aum Shinrikyo religious cult was implicated in a number of serious crimes.

Shinshinto and Komei are backed by Soka Gakkai, another lay Buddhist organization and a rival to Rissho Koseikai.

In a meeting Tuesday ahead of the upper house plenary session, Heiseikai executives failed to reach an accord and left the final decision to Shinshinto member Ichiji Ishii, who had compiled a query, including questions on the loan.

Ishii deleted all questions related to the loan, sparking strong criticism from members of the ruling and opposition parties who voiced concern that the move would undermine public trust in Diet deliberations, the YOMIURI said.

Tazawa denied the report and told reporters he supports the revision of the law.

In a news conference on Friday, Ishii denied there was an offer for a secret deal from Tazawa and therefore no behind-the-scenes agreement.

Justice Minister Tazawa Decides To Resign

OW0610143895 Tokyo KYODO in English 1416 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — Justice Minister Tomoharu Tazawa has decided to resign as early as Monday [8 October] morning over an alleged secret deal with the opposition camp to hush up dubious personal loan from a religious group, political sources said Friday.

Prime Minister Tomiichi Murayama is likely to accept Tazawa's resignation and place a Liberal Democratic Party (LDP) member at the House of Councillors as a successor, the sources said.

Tazawa has allegedly asked the upper house opposition bloc Heiseikai not to make a parliamentary question about an unreported 200 million yen loan he received from the large lay Buddhist organization Rissho Koseikai, in exchange for assurances that he will oppose the government's plan to tighten controls over religious organizations.

Heiseikai, composed of Shinshinto (New Frontier Party) and Komei, has opposed to the tightened controls over religious groups because it is supported by another large lay Buddhist group Soka Gakkai.

Tazawa, who was inducted to the ministerial post Aug. 8 by Murayama, denied the allegation and ruled out resignation when he was questioned by his party Friday afternoon.

However he has decided to quit because his LDP colleagues and other ruling coalition officials have urged him to resign and the issue is feared to be affecting parliamentary discussions in the current Diet session, the source said.

LDP's Kato Envisages No Early General Poll

OW0610071095 Tokyo KYODO in English
0647 GMT 6 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 6 KYODO — The next general election for the House of Representatives should not be contested until at least around June next year, a senior leader of the ruling coalition Liberal Democratic Party (LDP) said Friday [6 October].

"It may come in June at the earliest, after the next fiscal year's budget and related bills are acted upon," LDP Secretary General Koichi Kato said in a lecture at a meeting of editors in chief of affiliated newspapers of KYODO NEWS SERVICE.

The general election "will come much later, say, around next fall or the following year," said Kato, who took up the LDP's second highest post in late September along with International Trade and Industry Minister Ryutaro Hashimoto's rise to the party's helm.

Noting that signs of economic recovery may only begin to appear around next spring, the LDP secretary general said, "The lower house must not be dissolved for a general poll at a time like this."

He also cited as a reason for his objection to an early general poll the LDP's unpreparedness to face off with the main opposition Shinshinto (New Frontier Party).

The LDP is the dominant force in Prime Minister Tomiichi Murayama's tripartite coalition government, which also includes the premier's Social Democratic Party and Finance Minister Masayoshi Takemura's New Party Sakigake.

Kato, who was chairman of the LDP's Policy Affairs Research Council, said he and LDP President Hashimoto see eye-to-eye on the difficult situation surrounding the party regarding its performance prospects for the next general poll.

"We have to win at all costs. If we lose heavily, our party and our country will eventually die," he said, adding he wants Hashimoto to assume the premiership in the future.

He went on to repeat his oft-stated contention that the introduction of a new but yet-to-be-tested electoral system for lower house elections, which combines single-seat voting districts with proportional representation, was a failure.

The polling system, which replaced the multiseat electoral formula, is already beginning to stand in the way of policy debate between the ruling and opposition parties.

Kato, who is also considered a future prime ministerial hopeful, was evasive on the possibility of his taking the helm of government.

"Our party must score a victory in the next election. Otherwise our party and I will be left out in the cold," he said.

Definite Split Among Parties-in-Power Reported

952B0227A Tokyo SENTAKU in Japanese Aug 95
pp 52-54

[Unattributed article: "Definite Crack Among Parties-in Power Reported"]

Decisive Crack Among Three-Party Coalition—How Long Will Reshuffled Cabinet Last?

[FBIS Translated Text] The summer 1995 political situation is that continued leading by Prime Minister Tomiichi Murayama has been decided and it seems that it will move into fall with no trouble, but an intensely fluid tempest is whirling under the surface.

The political situation after the upper house election, which it had appeared would flow from the resignation of Murayama, establishment of a Kono caretaker government and a fall general election, ended up prolonging the life of Murayama. It is not that Murayama has power; it is only that the self-preservation of the three parties in power, the Liberal Democratic Party (LDP), Social Democratic Party of Japan (SDPJ), and Sakigake, which are trying to avoid chaos and survive, temporarily postponed the curtain closing on the regime.

On 23 July, the ballot-counting day for the upper house election, talks were convened by the heads of the three parties, LDP, SDPJ, and Sakigake. While the ballot-counting progressed, a trend in which the opposition parties of Shinshinto and Japan Communist Party (JCP) were gaining and the parties in power were losing in strength clearly had appeared, but how far it would go with SDPJ seats was still a delicate situation.

Seeing LDP President Yohei Kono (deputy prime minister and foreign affairs minister) and Sakigake representative Masayoshi Takemura (minister of finance) enter the prime minister's official residence, voices of suspicion arose from the cabinet press corp at the quick summons, saying: "The time is too early." That was because it certainly was a strange time period to discuss the political situation after the upper house election.

There also were suspicions that "Perhaps they are aware of the newspaper deadline." Later, according to leaks by associates of the prime minister, Cabinet Minister Kozo Igarashi feared that if they waited until the final seat had been decided for a conference of party heads, the splash of big headlines in all the morning editions on the next day that "Prime Minister Murayama Is To Resign" would be irretrievable. That was because it obviously was less than "about the same seats as the previous election (22 seats)" which Murayama more than once mentioned as the line between SDPJ victory or defeat.

However, Murayama and Igarashi were by no means united. As the right-hand man to the prime minister, Igarashi naturally resisted as much as possible the resignation, but Murayama's feelings were different.

"Kono Premiership" Crushed at Last Moment

It is said that while Murayama clearly stated that it would be "about the same as last time," he had already resolved to resign. On 18 June, on a government plane headed to Paris after the end of the Halifax Summit in Canada, he clearly informed Kono that "If the SDPJ loses, I will quickly resign. I would like you to take over afterwards." He had also disclosed the same sentiment to former Deputy Prime Minister Masaharu Gotoda.

After the start of the election campaign, however, there was a period when it was thought that SDPJ seats possibly might exceed 22. His associates recollect, "The prime minister frantically bustled about the whole country for that very reason. He even brought out his daughter. It was certain that for the first time he actually felt that the party in power was strong and in interviews with the press wherever he went, he made big news for the newspapers. It was the power of the prime minister. A audience gathered when he made speeches. It seems that he thought for a period that he must be popular." However, the ebbing flow of the SDPJ could not be reversed by the popularity of a modest Murayama.

At a party leaders meeting late at night on the 23d, Murayama faced the heads of the both parties, the LDP and Sakigake, and Igarashi and stated: "As the common practice in constitutional government, I would like to resign. Under such situation, the responsibility is too heavy for the head of the second party to shoulder the regime."

It was a clear announcement of his decision to resign. The common practice in constitutional government is that as a basic principle of party politics, the head of the party that has lost in an election, which is a fight between parties, should not remain in the position of highest leader. His second pronouncement supplemented that the LDP which is the leading party [of the coalition] should shoulder the regime at a time of mounting difficulties.

The normal resignation drama ends with this. Afterward, it would move to reconciliation work within the LDP as to whom to recommend for prime minister from the LDP, but that did not happen.

It seems that the talks of party leaders stretched to two hours and heated words were exchanged. The bottleneck was the opposition of Takemura. Kono could not have been opposed with a "Kono premiership" right before his eyes.

It has not been made clear with what logic Takemura voiced his opposition to shifting the premiership from the SDPJ to the LDP, but Yukio Hatoyama, secretary general of the Sakigake, had hinted at the possibility of withdrawing from the regime if there was a change of prime ministers, saying: "If the SDPJ loses, it probably is fate that Prime Minister Murayama must be replaced. If Murayama continues as prime minister, however, we do not feel that it is strange to support the regime. If it becomes a coalition with the prime minister coming from the LDP, we have not decided if we will accept it unconditionally. Naturally, I think that it will be discussed fully within the party. At any rate, to exist as a ruling party in a trend of obscurity within a large political party means death for our party."

However, Shusei Tanaka, deputy secretary general, who is the theoretical adviser for Takemura, opposed strongly the support of a "LDP premiership." He said: "Now is the time when small political parties will survive so long as they are political parties that present clear opinions." Tanaka is devoted to the small party superiority theory and, apart from the SDPJ, sees no value in forming a big party LDP regime. Tanaka is author of *Liberal Democratic Party Dissolution Theory* which he wrote when he was young.

With such an atmosphere within the Sakigake Party, in attending the talks by party heads, Takemura stated intention to withdraw, saying: "We will remain in the three-party network if Murayama continues but will leave if that is not the case" and advocated that Murayama continue as leader.

Shrewd Murayama

There were two options for Kono. One was to push for the Sakigake to leave and force a change. The other was to align with Murayama continuing as leader and avoid chaos.

The current strength of the LDP, SDPJ, and Sakigake is 294 (lower house); and even if the 21 people in the Sakigake are left out, it will not sway in the least as a stable force. However, Kono had several diddicult problems.

First is the situation within the LDP. It is difficult to say that a "Kono premiership" has been solidified within the party and even Koichi Kato, chairman of the Policy Research Council, who should be his vassal, asserts: "An LDP premiership consensus has not been obtained in the present three-party coalition system. Restoration of the people's confidence in the LDP is still a long way off. Especially, Shusei Tanaka of the Sakigake has made clear his intention of not recommending an LDP premiership and if that is forced, the SDPJ will also leave the regime. If the LDP loses humility, it immediately will decline to an opposition party" (26 June address).

Furthermore, he stated that: "Regardless of the results of the upper house election, Murayama will continue as prime minister and the next lower house election also will be conducted under the Murayama regime" (29 June address). Kato was repeatedly asserting as if there were no other alternative but Murayama to continue as premier.

Only the continuing leader view has been prominent within the party, not just with Kato, and the atmosphere of wanting to avoid an "LDP premiership" has been growing stronger, centering on anti-Kono forces.

For this reason, it would be better to obtain agreement among the three party heads for considerable chaos would be anticipated with reconciliation in the party premised on a "Sakigake departure."

Second was the results of the upper house election which was becoming clear. Not only was it a defeat for the SDPJ, but the performance of the LDP also was poor. In exchange, the rapid advance of Shinshinto was striking. They close to doubled the number reelected, and it gradually was learned that the motive force was the power of the tremendous Soka Gakkai vote.

Candidates of former Komeito who were carried by Shinshinto in the metropolitan areas of Tokyo, Saitama, Kanagawa, Aichi, Osaka, and Fukuoka all became the top vote getters early on, keeping down the LDP, and it was a large number of votes. The situation was that Shinshinto vote in the proportional districts also exceeded the LDP.

It was an atmosphere where it would be difficult to suggest as the LDP person responsible for losing to the arch rival Shinshinto that: "I will be the succeeding prime minister...."

Third is what Murayama really feels at heart. Conventionally, once the highest leader says on an official occasion that he "will resign," a retreat is impossible. However, it seems that handling often has been different with the SDPJ prime minister than in the era of the LDP regime. This time too, in his announcement of his resolution to resign, there was the air that he was cautiously gauging the replies from Kono, Takemura with the continuing leader view, and Igarashi. At a press conference the next day with the announcement of his continuing as leader, Murayama said regarding his resignation statement that: "Well, there were various opinions during the conversation. Since it was talk based on such grim results, naturally it was a possibility." He treated it as one of various opinions, but it is believed that an aspect of Murayama's tenacity was manifested.

With such disadvantageous conditions, Kono calculated that there was no other way but to align himself with the continuing leader view. When he conveyed that to Murayama, Murayama simply retracted his resolution to resign. A close associate to Kono grumbled that: "He probably could not help in the first round. Murayama is quite shrewd and we don't know what Takemura is thinking. Kono has ended up as if he were surrounded by foes on all sides. It inevitably will ruin his luck if he is unreasonable here. Kono has no choice but to withdraw. But before the matter of whether or not the successor will be Kono, if Murayama were to give up, immediately the LDP should feel that it is the party which should inherit the leadership. However, that spirit is lacking in the LDP and that is deplorable. Talking just of continuing leader by the chairman of another party is a wet blanket on the voters. I wonder if we are lacking in qualifications as the number one party." In deed, lately, the LDP has been lacking in unity.

"Murayama Continuing Leader Again" Possible

The outlook of the political situation after August is still fuzzy. Murayama has been quick with the words: "I am resolved to be firmly prepared to surmount difficulties" (at press conference on 24 July). However, with the after effect of the defeat of the three parties in power and a change of prime ministers not happening one must view that theres has been a decisive crack in the framework of the three-party coalition. Also, since dissolution of the lower house and a general election is approaching, each party is hastening to demonstrate its individuality. The party will be slowed that much for the policy coordination and the Murayama coalition regime will further decline in ability to perform. As a result, the paty will be forced to totter unsteadily. For Murayama, however, the next timing of resignation is also difficult.

The cabinet reshuffling scheduled for early in August will not change in skeletal structure since it has been decided that Kono and Takemura will remain and, it does not seem to gather momentum. So, what concerns us is how long will this reshuffled cabinet last?

A certain cabinet member of the LDP stresses the instability of the political situation, saying that: "In the general election at the end of September, whether Kono is reelected or someone else takes his place as new president, I wonder if an LDP premiership will immediately be restored. As was evidenced by a recent incident, there has been considerable discord. The SDPJ and Sakigake have formed a coalition with the LDP because an SDPJ prime minister and an LDP prime minister would not be accepted at all. It would not be simple. If Shinshinto firmly solidifies, it is possible that it will take over the government. If it changes to an LDP cabinet, there is a good possibility that Kubo (Wataru, secretary general) in the SDPJ will split the party and join Shinshinto. It probably would become a Kaifu cabinet. The greatest focus will be whether or not an LDP-SDPJ-Sakigake coalition can be maintained after Murayama bows out." However, if it is impossible to maintain the coalition with a change of prime ministers, the case of Murayama continuing as leader again can be possible.

Also, since the threat of the Soka Gakkai vote has been highlighted as a result of the upper house of election, a growing trend to avoid dissolution and a general election is inevitable. If that happens, the exasperation of the people will increase further and it seems that a gloomy atmosphere shrouds the political situation in the second half of 1995.

Poll: 27 Percent Supports Hashimoto-Led LDP

OW0610094395 Tokyo YOMIURI SHIMBUN in Japanese 4 Oct 95 Morning Edition p 2

[FBIS Translated Text] The public approval rate for the Liberal Democratic Party [LDP] increased after the inauguration of Ryutaro Hashimoto, minister of international trade and industry, as the LDP president, according to a YOMIURI SHIMBUN nationwide opinion poll (conducted on 30 September and 1 October). Surveys on trends of approval rates for the Murayama cabinet and political parties showed that, while the rise in the cabinet support rate was not very remarkable, the LDP obtained 27-percent support, up 6 percentage points from the previous poll in August. It appears that the public was interested in the LDP presidential race between Hashimoto and former Posts and Telecommunications Minister Junichiro Koizumi, and that the public have great expectations for the "Hashimoto-led LDP."

The approval rates for political parties were 27 percent for the LDP, 12 percent for the Shinshinto [New Frontier Party], 8 percent for the Social Democratic Party of Japan [SDPJ], 2 percent for the Japan Communist Party, and 1 percent for Sakigake [Harbinger]. Despite the rise in the LDP's approval rate, the approval rates for both Shinshinto and the SDPJ were down by 5.1 percentage points from the previous poll. The rate of "no party to support" respondents remained at a high level at 47 percent, a slight increase over the last poll.

The cabinet approval rate was at 35.7 percent, up 1.1 percentage points from the August poll, and the disapproval rate was at 45.7 percent, down 4.7 percentage points. It appears that the rise in the cabinet approval rate was due to the government's compilation of the largest-ever pump-priming package worth 14 trillion yen, signs of business recovery following the yen surge slowdown, and LDP President-elect Hashimoto's fresh image as a coalition leader. This is despite concerns that Hashimoto's inauguration may become a factor in the destabilization of the coalition government.

As reasons for supporting the cabinet, 28 percent said "the prime minister is trustworthy," 27 percent said "the Murayama government is better than former LDP governments," and another 27 percent said "the cabinet's political platform is favorable."

On the other hand, 38 percent of those who do not support the Murayama cabinet said "the cabinet has not achieved any particular policy goal," 33 percent said "the cabinet's political platform is unfavorable," and 32 percent said "the cabinet is unstable."

Hashimoto-Led LDP's Generational Change Viewed

OW0610121795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Sep 95 Morning Edition p 2

[First in the four-part series "Analysis of the 'Hashimoto-Led LDP'"; this installment entitled "the Weakening Party Foundation — the Generational Changes and High Price"]

[FBIS Translated Text] Revival or collapse? — Ryutaro Hashimoto, minister for international trade and industry, became the 17th president of the Liberal Democratic Party [LDP] when the party was at a fork in its fate. The establishment of the "Hashimoto leadership" is considered the last choice for the LDP, which stakes its fate on the next general election. This article analyzes the inside affairs of the Hashimoto-led LDP, one of the key players in the confused political situation.

On the evening of 25 September, LDP President Hashimoto and newly appointed Secretary General Koichi Kato confined themselves in the presidential office on the fourth floor of the LDP headquarters to convey a decision to name "Taku Yamazaki chairman of the Policy Research Council" to people concerned. In the same evening, there was an argument within the defunct Michio Watanabe faction, which Yamazaki belongs to. Still opposing Yamazaki's appointment, five senior Diet members, including lower house member Koko Sato, were arguing with former Prime Minister Yasuhiro Nakasone at the latter's office near the Diet building.

Conflict Within the Faction Reaches Its Peak

Sato: "This morning, you confirmed the original policy of recommending (lower house member Masaaki) Nakayama."

Nakasone: "I have already told Mr. Hashimoto that I would not oppose Yamasaki's appointment. I am sorry."

Sato: "Are you intending to betray comrades of 30 years' standing who laid a foundation and built a house together from the time of the Kono faction [former LDP faction led by Ichiro Kono], and to yield the house to those who have recently joined us? I break off relations with you as of now."

The Watanabe faction lost its leader Michio Watanabe, former deputy prime minister, during the LDP presidential campaign. A fierce confrontation within the faction over the three top LDP posts had continued for several days. While middle-ranking and junior members supported Yamazaki, senior members put forward Nakayama in a bid to stem the tide of the generational change.

As a "tutelary deity of the moment," Nakasone has regained the leadership. Nakasone held a secret meeting with Hashimoto in Tokyo on the night of 19 September. However, he did not specify "whom he wanted to assume the three party posts." Instead, he mentioned four names, including both Yamazaki and Nakayama, asking Hashimoto to "consider them."

The Hashimoto camp guessed Nakasone's true intention as follows: "There will remain unpleasant feelings within the faction, whoever is selected. Nakasone intends to have Hashimoto tread on thin ice for him." However, Nakasone's "neutral" attitude was convenient to Hashimoto, who initially wanted to appoint both "Kato and Yamazaki" to the party posts to dispel the party's old image.

Nakasone Takes "Inconsistent Attitude"

After that, Nakasone changed his attitude time after time. On the morning of 25 September, the day for appointing senior party posts, he decided to recommend Nakayama, and phoned former Secretary General Seiroku Kajiyama — who acts as counselor in the Hashimoto camp — to ask him "to endorse Nakayama." In the afternoon, he changed his attitude, deciding to "approve the appointment of Yamazaki." Nakasone explained: "Because Mr. Hashimoto insisted...."

Analyzing Nakasone's mind, a senior Watanabe faction member said, "It eventually has proved that he had no choice but to make senior members cry, not younger members, to minimize the crack in the faction and to maintain his influential power." This incident clearly indicates that even an influential person cannot resist a "rebellion" by junior and middle-ranking members, who are getting together, within the faction where members are no longer united by money.

The Wriggling "Intraparty Opposition Party"

As both Kato and Yamazaki, who have been elected Dietman eight times, have assumed two of the three top party posts, other senior posts have been filled mainly by those who have been returned to the Diet five or seven times.

Dissatisfaction is being expressed by not only senior members of the former Watanabe faction, who now have an "anti-Yamazaki" sentiment, but also by other senior party members. Hashimoto's close aide said, "These party post appointments may turn the study group 'Society To Think About Japan's Future Course' into an intraparty opposition party against the leadership."

The study group is comprised of senior LDP members who played a leading role in triggering "anti-Kono and pro-Hashimoto" moves in the recent party presidential election. Although it is not known whether they are going to launch antileadership movements, it is certain that they have already begun to say coolly, "If those [leadership] members are confident in their work, why do they not go ahead? Let us see them in action."

Sensing such an atmosphere in the LDP, members of the opposition New Frontier Party are feeling even a sense of relief that "there is no need to be afraid of the party led by Hashimoto." Taking advantage of the irresistible trend of generational change, Hashimoto took tactics of changing the party's image. However, this is an antinomic choice that might be seen as "lacking capable men" or "lacking strategy."

On the night of 25 September, Hashimoto completed the appointment of the three top party posts. The usual "aggressive" expression was not found on the face of Hashimoto, who repeated, "I am really tired" and "I am sleepy; I hardly slept last night."

LDP Preparations for Election Reviewed

OW0610124095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Sep 95 Morning Edition p 2

[Third in the four-part series "Analysis of 'Hashimoto-Led LDP'"; this part entitled "Election Tactics Expected To Affect Fate of LDP — Two 'Anti-NFP' Strong Men"]

[FBIS Translated Text] Even during the campaign, the election of Ryutaro Hashimoto, international trade and industry minister, as the 17th LDP president was a foregone conclusion. Thus, most attention was focused on who would assume three key party posts under the Hashimoto leadership. Meanwhile, party members close to Hashimoto discussed priority tasks to be tackled by the Hashimoto-led LDP. A senior official of the former Obuchi faction said, "The most important task is preparations for the general election. Second is the handling of Diet affairs. Radically speaking, I would not worry about other tasks." His remarks indicate that from early on, officials close to Hashimoto had considered winning in the next general election as an urgent task for President Hashimoto because the outcome of the election is expected to affect the party's fate.

"Another Kajiyama"

Former Home Affairs Minister Hiromu Nonaka was named acting LDP secretary general. Nonaka's appointment had been decided before it became certain that Koichi Kato would be offered the secretary general post (according to a senior official of the Hashimoto election camp).

Nonaka has been reelected to the House of Representatives four times. When he was a Kyoto government assembly member, he took a stand at all points against the prefectural administration of Ninagawa, a member of the Japan Communist Party. He was a force behind the LDP's recapture of the reins of the Kyoto government. He also served as Kyoto vice governor. Since the former Takeshita faction era, Nonaka has been considered strong-nerved and called "another (former LDP Secretary General Seiroku) Kajiyama." When the Takeshita faction broke up, he was in the forefront of those who blamed Ichiro Ozawa (who is currently secretary general of the opposition New Frontier Party [NFP]) for the faction's split. As the Murayama government's home affairs minister, he displayed his uncommon shrewdness in dealing with incidents involving the Aum Shinrikyo religious cult and the hijacking of an All-Nippon Airways jet. Prime Minister Murayama trusted him so much that he "begged" him to remain in his cabinet when he reshuffled his cabinet in August.

Kato is a policy expert, but he has had little experience in administering elections. Meanwhile, Nonaka once served as LDP Election Bureau director general. He earns respect motivated by fear and is one of those who take an "anti-Ozawa" stand. Nonaka's appointment as an aide to Secretary General Kato is part of the preparations for the general election, which is expected to be a contest between the LDP and NFP.

Lessons From the Kono Leadership

An LDP official close to Hashimoto said, "(Former LDP President Yohei) Kono made three mistakes in the recent cabinet reshuffle, which he himself enforced. One is that he tried to give cabinet posts to members of the former Mitsuzuka faction despite the fact that such inclination to a faction was obsolete. Another is he lost the prime minister's trust in him through the reshuffle. The last is he set two tigers at large." The "two tigers" meant Nonaka and Former Transport Minister Shizuka Kamei.

Immediately after Hashimoto was elected LDP president in an overwhelming victory, he called a senior member of the former Obuchi faction and told him, "I have to consider various things, but I would like to appoint Kamei head of the public relations headquarters." The senior official answered, "We have to have the Religious Corporation Law revised. If the purpose is to squarely deal with issues concerning religious organizations, you can appoint him to the post."

There was a reason that Hashimoto took the trouble to obtain approval from this senior official, who is a follower of his. Although Kamei was one of the powerful Hashimoto supporters during the presidential election campaign, he was the main figure who opposed the "resurgence of LDP rule by the former Takeshita faction." When Kajiyama referred to the appointments of new party leaders on a commercial television news program, Kamei called his act an attempt to realize the resurgence. Members of the former Obuchi faction are not supportive of Kamei's view, saying, "His remarks are motivated by a political purpose of seeking cooperation from the former Mitsuzuka faction (which he belongs to and is a major anti-Hashimoto group) in gaining a key party post."

Chief Figure Critical of Soka Gakkai

Nevertheless, the former Obuchi faction OK'd appointing Kamei to the above-mentioned post because the faction highly rated his ability and Kamei was a main force behind the inauguration of the "Shigatsu-kai," which is composed of intellectuals critical of Soka Gakkai, a Buddhist lay organization and a major NFP supporter. Katsuhiko Shirakawa, who was appointed LDP Election Bureau director general, is also a key member of Shigatsu-kai. Now, the posts in charge of reconstructing LDP support groups, which were found to be frail in the recent presidential race, and of preparations for the general election have been occupied by those who take "anti-Ozawa and anti-NFP" stands.

On the night of 20 September, just before the presidential election, Kato, Nonaka, and Kamei met at a restaurant in Akasaka, Tokyo. Soon after he was named assistant secretary general, Nonaka said in a lecture in Fukuoka city on 26 September, "I do not mind if the bill to revise the Religious Corporation Law is carried over to the next Diet session," thus indicating his flexible stand on the bill's handling. There are various conjectures about his remark. Some think, "He made the remark in view of the Social Democratic Party of Japan's apprehensions about the dissolution of the House of Representatives, which could be triggered by a crash between ruling and opposition parties over the issue of revising the religious corporation law." However, other people view it as an attempt to seek a compromise with Soka Gakkai or to see how the NFP would react.

Concerning Nonaka's remark, an official close to Hashimoto said, "We have not yet drawn up basic tactics for the election and the handling of Diet affairs. There is no denying that we are not fully prepared yet. However, causing various conjectures is politically of great significance." It is not certain whether the LDP will adopt straightforward or skillful tactics for the general election. However, it is certain that Kato, Nonaka, and Kamei will play major roles in preparations for the general election.

Murayama-Hashimoto Relationship Previewed

OW0610134395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Oct 95 Morning Edition p 2

[Fourth and last in the series "Analysis of the 'Hashimoto-Led LDP'"; this installment entitled "End of the LDP-SDPJ Honeymoon? Keeping a 'Distance' From the Prime Minister"]

[FBIS Translated Text] It was on 26 September, a day after Ryutaro Hashimoto was officially elected president of the Liberal Democratic Party [LDP]. Prime Minister Tomiichi Murayama (chairman of the Social Democratic Party of Japan [SDPJ]), after the cabinet meeting at the Prime Minister's Official Residence, stopped Hashimoto and Finance Minister Masayoshi Takemura (chairman of New Party Sakigake [Harbinger]). "I would like to have a talk with you." The prime minister invited these two to the executive office on the second floor of the residence. Although uninvited, Chief Cabinet Secretary Koken Nosaka, an aide to Murayama, joined the meeting as if his attendance were naturally expected from the beginning.

Murayama: "My sincere congratulations on your election. I want you to continue doing good work."

Hashimoto: "I will continue giving you my strong support."

Murayama: "I truly ask for your cooperation as you are the president of the number one ruling party."

At this meeting held by leaders of three ruling parties, in which Hashimoto made his first appearance [as a party head], the prime minister repeatedly flattered the new LDP president as if he were begging for something.

Subtle Differences

After the meeting, Nosaka went straight to a news conference and explained what the leaders discussed. He said, "They discussed the three ruling parties accord for about one minute. When the prime minister asked, 'Is it necessary to reconfirm the accord?' Mr. Hashimoto replied, 'No need to make a fuss like that.'" Asked the same question by reporters, Murayama answered with a smile, "Such formalities will not be taken."

On the contrary, Hashimoto, who was having a news conference at the Ministry of International Trade and Industry at about the same time, showed a subtle difference from the prime minister's side in the handling of the accord. "If we are given a chance to study the accord, and depending on what to talk about, we may engage in discussions," said the LDP president. In the end, the ruling parties agreed to hold another party leader meeting on 27 September to confirm the accord. However, it was reported that Hashimoto's comment offended the prime minister when it reached his ear.

Tripartite Meeting Undergoes a Transformation

Since the Murayama administration was inaugurated in late June 1994, Monday meetings regularly held by the leaders of the ruling parties have played a role as something like a black box to maintain the coalition administration. Because almost no inside information about the meetings gets out, "they are more dictatorial than the former Ichi-Ichi duo (alliance between Ichiro

Ozawa and Yuichi Ichikawa)." Some LDP members even complained about it.

Policy differences between the LDP and SDPJ have been compared to "oil and water." It was the strong relationship among the coalition leaders that helped narrow these differences. A dove and former LDP president, Yohei Kono, in particular, worked hard to neutralize the LDP's hawkish color and avoid a final confrontation with the SDPJ.

Murayama's personal relationship with Hashimoto, who is known as a member of "sharou-zoku" [politicians specializing in welfare and social security issues], is much stronger than his ties with Kono. Nevertheless, the nature of the meeting may change with participation of Hashimoto, who represents "the identity of the LDP." In addition, discord could emerge between Hashimoto, who places "priority to observe principles" [sujiron] and Takemura, who attaches "importance to considering the overall political condition" [seijiron] in engaging in policy debate. The tripartite discussion arena, where the coalition leaders strived for unity, could suddenly turn into an "explosive warehouse."

A source close to Murayama analyzes the situation as: "The prime minister hates it when things we create go up in smoke. In particular, he is extremely wary of the possibility that the coalition framework will collapse."

With the next general election approaching, Murayama faces a crisis, in which the SDPJ may be forced to vanish depending on election results. On the other hand, Hashimoto is under a heavy burden, struggling to become "the next LDP prime minister." It is unlikely that these two could continue their "honeymoon" relationship.

Talk of "Divorce" Lingers

Both the prime minister and LDP under the presidency of kendo [Japanese fencing with bamboo swords] expert Hashimoto, appear to have difficulties in deciding how to keep their "distance."

Even if the SDPJ is transformed into "a new party," the Murayama administration should be maintained until next spring when the FY96 budget is compiled. Then, Murayama should declare the dissolution of the House of Representatives to kick off the SDPJ-led general election campaign. This is a scenario for survival pictured by senior SDPJ executives close to Murayama. Meanwhile, some LDP members still want a so-called "divorce by agreement with the SDPJ within the year so that the House will be dissolved under Prime Minister Hashimoto's administration."

A newspaper recently cited Deputy Chief Cabinet Secretary Hiroyuki Sonoda in his hometown as saying, "The dissolution of the House of Representatives will take place next April." Murayama's "elder adviser" Nosaka, showing the report to him, whispered, "Now that everybody thinks this way, you must hang on and stay in power." At this time, the prime minister and "the LDP under Hashimoto leadership" apparently have no choice but to carry on their psychological warfare.

Editorial Criticizes Murayama's Policy Speech

OW0510114695 Tokyo SANKEI SHIMBUN in Japanese 30 Sep 95 Morning Edition p 2

[Editorial: "End of the Murayama Government Seen in the Prime Minister's Policy Speech To the Diet"]

[FBIS Translated Text] Fifteen months after its inauguration, the Murayama coalition government appears to be coming to an end. Prime Minister Murayama delivered a policy speech to a plenary session of the Diet on 29 September when an extraordinary Diet session convened. The prime minister failed to seize the occasion to unveil "his own policies." His speech was not eloquent and its content was lackluster; the prime minister seemed unenthusiastic about leading the government. In his policy speech, the prime minister avoided mentioning issues that could cause a feud among the ruling coalition partners and tried to speak about the present situation ambiguously. The end of the flagging Murayama government was visible in his policy speech to the Diet.

In his speech, the prime minister emphasized that, "the three coalition partners have built up trust and I will run my coalition government based on this trust." The prime minister finished his policy speech by saying, "I have resolved to continue taking charge of state affairs." There is no denying that the prime minister failed go into sufficient detail about his views on specific policies.

The prime minister devoted almost a half of his policy speech to economic stimulus measures. Among other things, citizens want the government to put the sagging economy on a speedy path to recovery. High on the agenda of the extraordinary Diet session are deliberations on the second FY 95 supplementary budget that contains a comprehensive package of pump-priming measures. It was a matter of course for the prime minister to underscore the economic stimulus measures in his policy speech. But, the prime minister failed to unequivocally respond to what citizens want to know.

On the land tax system, for example, Ryutaro Hashimoto, minister of international trade and industry, who recently assumed the presidency of the ruling

Liberal Democratic Party, has announced a plan to freeze land taxes. In his policy speech, however, the prime minister said he would decide whether to freeze land taxes based on the conclusion of land tax system reform in 1996. The ruling Social Democratic Party of Japan and the ruling New Party Sakigake [the Harbinger Party] are taking a position against cutting asset taxation. The two ruling parties appear intent on avoiding deep involvement in the issue of freezing the land tax. If the prime minister does not indicate his own views on policy matters, we cannot help but say that he lacks leadership.

In his policy speech, the prime minister did not touch on the issue of Japan joining the UN Security Council as a permanent member. This is despite the fact that Murayama appears to think that promoting the reform of the United Nations is rather important. Meanwhile, Hashimoto has been vigorously pushing for Japan's admission to the UN Security Council as a permanent member. The prime minister probably can not help but admit that he has skirted the issue of Japan's admission to the UN Security Council.

The prime minister touched on the government's plan to amend the Religious Corporation Law for only one or two minutes during his speech, saying, "social circumstances and the situation in religious corporations have changed since the Religious Corporation Law was enacted in 1951 and some aspects of the Religious Corporation Law currently in force are not necessarily compatible with the actual situation." His statement was not persuasive. There is a persistent view that the opposition New Frontier Party is trying to make his policy speech into an instrument for creating political strife. If the prime minister intended to avoid mentioning fundamental issues in order to prolong the life of his government through three coalition partners' trust, this would only delay the recovery of public confidence in politics.

Machinery Sector Expects Capital Investment Rise

OW2709082295 Tokyo KYODO in English 0710 GMT 27 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 27 KYODO — Capital investment by Japanese machinery makers in fiscal 1995 is expected to rise 11.4 percent over a year earlier for the first rise in four years, an industry association said Wednesday [27 September].

The Japan Machinery Federation said its survey showed that capital investment planned by 129 major machinery makers in fiscal 1995 totaled 2,783.5 billion yen.

The rise follows a 2.6 percent decline to 2,499 billion yen in fiscal 1994, the third straight year of declines, the association said.

In the current fiscal year ending next March 31, the association said capital investment planned by electric machinery makers climbed 22.4 percent for the second straight year of rise.

Investments by transportation machinery and precision instrument makers will rise for the first time in four years, gaining 8.5 percent and 0.6 percent, respectively, it said.

Investment plans by general machinery makers will continue to decline for the fourth consecutive year, dropping 2.5 percent in fiscal 1995, it said.

The survey also showed that sales by the machinery industry in the July-September period of this year are expected to rise 1.4 percent over a year earlier, while a 2.0 percent year-to-year gain is expected for the October-December period, the association said.

Sales for the April-June period stood at 15,290.6 billion yen, up 2.3 percent over a year earlier, it said.

Orders received in the April-June period climbed 8.6 percent over a year earlier to 6.94 trillion yen.

It said machinery orders are expected to rise 4.7 percent in the July-September period and 7.5 percent in the October-December quarter.

Inventories held by the machinery industry stood at 3,434.1 billion yen at the end of June, up 0.2 percent over a year earlier, the association said.

Backlog orders totaled 21,443.4 billion yen at the end of June, up 0.3 percent over a year earlier, it said.

Paint Firm To Set Up Joint Venture in SRV

OW0310014195 Tokyo KYODO in English 0121 GMT 3 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 3 KYODO — Nichimen Corp., the eighth-largest general trading house in Japan, said Tuesday [3 October] it will produce antifouling paints in Vietnam as a joint venture with Japan's Chugoku Marine Paints Ltd. and a major Vietnamese firm.

the vietnamese company involved is Haiphong Paint Co., which is the largest paint producer in Vietnam and is also affiliated with the Haiphong City People Committee.

At present, Haiphong Paint, established in 1960, produces 500 tons of antifouling paints for ship bottoms a year with a workforce of 170, and plans to boost its annual output to 2,500 tons in April 1996 with the cooperation of Nichimen and Chugoku marine paints, a Nichimen spokesman said.

Nichimen will supply Haiphong paint with raw materials for antifouling paints it will purchase in Singapore at low cost and conduct a market research to boost sales of the paints in Vietnam, he said.

Nomura Securities' Activity in Vietnam Reported

952A0654A Tokyo ZAIKAI in Japanese 27 Jun 95 pp 62-65

[Article by Kozo Ikeda, chief, ZAIKAI editorial department: "Nomura Securities Group Is Actively Fostering Vietnamese Industry"]

[FBIS Translated Text] *In the midst of a unprecedented depression in this securities market, Nomura Securities is busy making a group-wide effort to foster Asian markets. Not only to pursue profits in Asia, which will be the center of growth in the 21st century, it is also aiming to acquire financial techniques to survive international competition. The company's business development in Vietnam clearly symbolizes this aim.*

Finding a Way Out in Asian Markets

Commenting on his plan to get approval at a stockholders' meeting in the end of June to reinstate two councilors — Setsuya Tabuchi and Yoshihisa Tabuchi — to executive positions, President Hideo Sakamaki of Nomura Securities spoke as follows:

"By and large, our company's operating results were in the black, but on a consolidated basis, we incurred a big loss. In the four years since I became president, I have done everything I could think of, including reform of our personnel and accounting systems. To survive this difficult period, we must devote all our resources from now on. Particularly in Asia, which is the center of economic growth, there is a strong offensive by European and American capital. Therefore, I came to a conclusion that it's absolutely necessary to have support from the two councilors."

Of 48 securities firms, only two companies — Nomura and Kosei Securities — reported net profits for the period ending March this year. Except Nomura, the other "Big 4" securities firms — Daiwa, Nikko, and Yamaichi — all reported the biggest losses in their history. Although Nomura was in the black, the amount of its net profit was only 6.8 billion yen, compared to 50.7 billion yen in the prior period. Furthermore, on a consolidated basis, the result was a "big loss" (per Mr. Sakamaki). Faced with this kind of a situation, anyone would feel a sense of crisis. The current depression in the securities market is said to be worse than the one in 1965, and Mr. Sakamaki is turning his attention to Asian markets.

The world economy is now riding a big wave toward a market economy. If a market economy is a gathering of individuals and corporations in pursuit of profit, and through which economic resources are allocated, Japan cannot be considered as having a perfect market-economy system. This creates friction with the United States, and is a reason for the call for deregulation.

From this perspective, Asia, which is being considered as the center of economic growth in the 21st century, is a region that has begun moving rapidly toward a market economy. Japanese investors are focusing their attention on this Asian market as well, and Japanese companies are also developing their businesses aggressively in Asia. If Nomura fails to capture this huge market, it will not be able to expect a far-flung international growth.

Also, what's important for development of business in Asia is human connections.

Take China, for example. Nomura began making serious efforts to approach China when Kiichiro Kitaura was president. That was toward the end of the 1970's when China launched measures to open its economy. In response to Mr. Kitaura's request, Vice Chairman Masanori Ito became involved in negotiations with China. He became an advisor for the National Economic Council, giving advice to China, which was moving toward a market economy. Subsequently, this advisory role was handed down to Mr. Setsuya Tabuchi, and then to Mr. Yoshihisa Tabuchi.

In the beginning, development of the securities business in China was beyond anyone's expectation. Step-by-step activities, such as teaching the basics of what a market economy is, were conducted, and trainees were invited [to Japan].

As a result, Nomura was able to open a representative office in Beijing in 1982, the first among foreign securities firms to do so. In the same year, it was awarded a position as a lead agent for Chinese International Trust and Investment Corporation (CITIC) in conjunction with the issuance of China's first foreign currency denominated bonds. Subsequently, it established a leasing company and a financing company as joint ventures. In 1994, it created a consulting firm jointly with CITIC to provide consulting services on investment to Japanese companies in China. It has also been active in developing such businesses as a first-class hotel in Shanghai and an office building in Beijing. All these activities have been supported by Nomura's strong network of human connections.

Nomura's business in China is to contribute to vitalization of the Chinese economy through privatization of national enterprises, and to introduce excellent investment opportunities in China to Japanese investors. But, all this is not limited to China. Nomura's strategy is to strengthen its role as a go-between, connecting the Asian market with its customers which are business and financial investors.

From Downstream to Upstream

Chairman Seishi Suzuki says, "Business development with an international perspective has been our corporate culture since the days of our founder, Tokushichi Nomura. In doing business internationally, if we stick to traditional securities transactions only, we won't be able to make a great leap forward. In the Asian market, which is full of business opportunities, we are devoting all our efforts as the Nomura Securities Group. Therefore, Nomura is not only doing business with established companies, but is also beginning to get involved in ventures from their inception. The case in point is Nomura's development of businesses in Vietnam.

Vietnam adopted a Doi Moi (reform) policy at the Sixth Convention of the Communist Party in December 1986. The focus of the economic policy in the Doi Moi was to transform the planned economy to a market economy. Thanks to this transformation, the economy in Vietnam, which had been stagnant in the past, began to come alive.

The rate of inflation, which used to be at a double-digit level per month in the 1980's, subsided to a 5-percent level per year in 1993, and the rate of economic growth climbed up to an 8-percent level in the same year. Also, by 1992, the international balance of payments improved to the point where imports and exports were almost at the same level.

In addition, as the United States lifted its economic embargo against Vietnam in February last year, investment in Vietnam has begun to attract attention.

Therefore, the Vietnamese government had big expectation for Nomura, which had already accumulated experiences in China. Prime Minister Vo Van Kiet sought advice from a Nomura mission led by Mr. Yoshihisa Tabuchi on opening of a stock exchange, privatizing government-owned enterprises, and so on.

Vietnam used to have about 12,000 government-owned enterprises, but the number has decreased by half to about 6,000 through liquidation and consolidation of those that had been in chronic deficits.

But, Managing Director Nobuo Nakazawa of Nomura Securities says, "Privatization of government-owned enterprises cannot be accomplished overnight. Although we have learned from China's introduction of a market economy, it is impossible to privatize government-owned enterprises in a short period of time. Therefore, we decided to create new companies."

What followed is a plan to create a corporation to build a 390,000-kilowatt thermal power plant in the northern part of Vietnam with a total construction cost of about 45 billion yen. To assist in raising funds and issuing stocks, Nomura Securities formed "Nomura Project Finance International" in Hong Kong last October, and appointed Mr. Koji Kashiwaya, former vice president of the World Bank, as its president. This new company is to support businesses mainly in the infrastructure area, such as electric power and communications, and as a means to raise funds; it is going to issue and market stocks and bonds that will return future profits from these businesses to investors. The company seems certain to become a strong force for Nomura Securities in Asia, where many important projects are being proposed one after another.

A feasibility study is currently being conducted for the plan to establish an electric power company. In addition, however, the Nomura Securities Group is also being involved in another major project which is the building of a large-scale industrial park in Hai-phong, the largest port city in Vietnam and a region of heavy industry.

Aiming To Become an Investment Bank

The industrial park covers a total development area of 150 hectares with 125 lots (123 hectares) for sale. It will be Vietnam's first industrial park equipped with product-processing functions for exports.

This venture is called "Nomura and Hai-phong Industrial Park Development Company" (Yoshimichi Takegawa is president), 70 percent of which is owned by the Nomura Group and 30 percent by the municipal government of Hai-phong. It is being managed by Nomura-Japan Associated Finance Company [JAFCO] Investment (Asia) [NJI], a joint venture established in Singapore by JAFCO and a Nomura Securities' holding company in Asia.

JAFCO was created in 1973 to provide funds for growth and support measures to promising companies that have high growth potentials and an intention to list their shares on stock exchanges. In the sector for investment in unlisted companies in Japan, it is the largest in terms of investment and working capital, outpacing all of its competitors. As a sort of an international version of this company, NJI was established in 1990.

A joint venture agreement for the Industrial Park Development Company was signed in September last year, and the first phase of construction has been in progress after a ground-breaking ceremony for the park was held on 14 February this year. The first phase is scheduled to be completed by the spring of 1997, and the second phase by the spring of 1998. This industrial park, which will be developed with a total cost of 12 billion yen, is planning to attract 125 medium-sized Japanese companies. As Toyota Motors and Mitsubishi Motors have already decided to invest in Vietnam, their related parts makers and electronics companies are expected to move in also.

As examined above, therefore, it is evident that Nomura Securities has been expanding its business from such downstream operations as traditional securities transactions in Asia to such midstream operations as investment in unlisted companies through JAFCO and NJI, and to such upstream operations as project financing and development of ventures in Vietnam.

The head of the National Planning Committee in Vietnam is proud of the results of the Doi Moi policy, saying, "We are planning to double our GDP between the years 1991 and 2000. Although we estimated an annual growth rate to be 5.5 percent or more for the five-year period from 1991 to 1995, the actual growth rates for the years 1991 through 1994 were 7.9 percent to 8 percent."

Vietnam is planning to join ASEAN this summer. This will further stabilize the politics and economy of not only the Indo-China peninsula but also of ASEAN as a whole.

Kazusuke Miyake, former Ambassador to Singapore, believes that the Vietnamese economy in the future "will take off fully in five years from now, surpassing the levels achieved by Indonesia and Thailand."

Some people [in Vietnam] voice their wish "to create a stock market by the year 1997 or so." Therefore, in addition to building the power plant and the industrial park, the Nomura Securities Group will surely expand its role to foster industries in Vietnam.

No doubt Asia, which is considered a center of growth in the 21st century, is a region with big business opportunities for Nomura Securities. In fact, however, Nomura is not looking at the region simply as its source of revenues.

If Nomura remains in Japan it will have various restrictive regulations, which would make it difficult to build up its capabilities as a financial institution in a market economy, following a worldwide trend. So, it wants to establish its methods as a financial institution in the Asian market. In a sense, therefore, the Nomura Securities Group is in search of a way to become an investment bank through its development of ventures in Asia.

For this purpose, Nomura has been building up its bases steadily so as to strengthen its business strategy in Asia; it established its Asian headquarters in Hong Kong, and listed its stocks on the exchange in Singapore. Accordingly, it has been rapidly increasing the number of personnel for the Asian region. The total number of employees at all of its bases in Asia was 600 as of the end of March last year, but it reached 945, a 58 percent increase, as of the end of March 1995.

Through this group-wide effort, Nomura is accumulating know-how as an investment bank to attain a rock-solid position not only in the Japanese market but also in the world market. This is a realization of the dream that has been always sought by Nomura Securities ever since the time it was created by Tokushichi Nomura.

Auto Parts Makers Faced With Price Reductions

952A0678A Tokyo EKONOMISUTO in Japanese 11 Jul 95 pp 61-67

[Article by Masayoshi Ikeda: "Japanese Auto Parts Markers Faced With Harsh Times"]

[FBIS Translated Text]

The Predicament of Automakers

Heading into this year, with the continuing strong yen at the 80 yen per dollar level, Japan's automakers have been forced into an uprecedentedly harsh situation. Amid these intense changes in the business landscape, Nissan Motor announced in October 1994 a "New Pricing System," in which it is planning to sell models of new cars to go on the market in the next term at a price that is 10 to 20 percent cheaper than current models. By doing so it will reduce its costs at each model change, which means that the price of cars manufactured in 1997 and after will be reduced 30 percent.

Other automakers are grappling with price reductions similar to those of Nissan Motor, and a 30 percent price reduction in three years of new car sales is becoming the "conventional wisdom" in the automobile industry these days.

Following in the wake of these efforts at grappling by automobile makers, affiliated parts makers are also all expanding price reduction activities for parts. Summarizing from newspaper articles, etc., from 1994, requests by each automaker for reductions of costs with respect to parts makers they deal with, has become severe at between 15 to 30 percent within almost three years. Until last year the prevailing view within the parts industry was that an approximately 30 percent decrease in a three-year period would be absolutely impossible to realize, but this year after the yen exceeded 90 yen per dollar, the majority of opinions hold that even that will be inevitable in order to survive in the industry. Among them, there are some emerging, such as brake manufacturer Nisshin Kogyo, who have set a target of reducing costs by 50 percent in three years, so it would seem that a movement toward cost reduction rationalization within the industry is being stepped up.

This being the case, the following is a presentation of how automobile parts makers are attempting to achieve the high efficiency cost reduction targets. A look at primary part manufacturers' cost cutting plans recently published in recent newspapers illustrates the fact that primary parts makers have set cost reduction targets at an annual rate of between 5 to 10 percent. Concrete strategies consist of the four elements of 1) cost cutting and rationalization on the production lines, 2) personnel cuts that concentrate on indirect divisions, 3) shifting production overseas, and 4) a review of purchasing expenses.

Although there is not enough space to explain these plans in minute detail here, the following is an indication of just the main points of rationalization efforts.

Using Parts in Common and Production Line Consolidation

The strategy in cost reduction and rationalization on the production lines that is demonstrating the most strength is the common use of parts. At Zexel, maker of fuel injection devices for diesel engines, there are plans to reduce the number of mass production parts types by 40 percent by the end of 1995, to cut the number of nonproduction parts in half, and to reduce production costs a maximum of 1 billion yen annually. A comprehensive manufacturer of running parts, Unisia Jecs will also employ the common use of parts by seizing the opportunity of client automakers making their model changes. It is endeavoring to reduce the number of its parts 30 to 40 percent. A manufacturer of seat belts, AT (automatic transmissions), etc., Nihon Seiko, will cut its parts to less than one-tenth in about three years.

There are many parts makers in the past which drove up their costs during the bubble period by increasing their part types as a result of an excessively meticulous response to the demands of their customers. Therefore, parts makers that are responsible for development and design inside their company are moving forward with making sizes and specifications common from the design stage, and are pouring their energies into converting to more efficient production. Also, even on the occasion of development, they do not handle each finished automaker customer individually the way they did in the past. Rather, a "proposal type" of management is emerging in which parts makers are designing their own parts for use by their customers as a whole.

For instance, up to now, Tachi-S, a Nissan-affiliated company that delivers seats to eight automakers, had a vertical development system by customer for its design and development division out of consideration of its obligation to keep its customers' secrets, but it has integrated this and as a result of standardizing and common use of parts, it has been able to achieve a striking cost reduction effect.

In line with common use and integration of parts, cost reduction plans are also being advanced based on wide-scale consolidation and discontinuation of plants and production lines. At the end of fiscal year 1995, major Nissan-affiliated manufacturer of special-purpose lamps, Ichikoh Industries will close its Hasuda City manufacturing facility, which is one of its main plants. The lamps being produced inside that facility will be transferred to several domestic plants, and the employees are being moved to neighboring plants, etc. This will enable it to raise the rate of operation at six other plants which have continued to post low operational levels.

By consolidating production lines, Unisia Jecs plans to reduce its total of 900 production lines to 600, targeting all its domestic plants beginning in fiscal year 1994 for three years. At that company, although there is a continuing decline in plant operating rates due to sluggish demand for auto parts, the view is that this type of consolidation of production lines will make an operation rate improvement of up to 80 percent on average possible.

Even Calsonic, manufacturer of mufflers and car air conditioners, in a three-year plan beginning in fiscal year 1994, is advancing with production line revision which it refers to as "line rectification." This is an attempt to achieve a 15 percent cut in manufacturing costs through consolidating lines that were divided into separate processes and the separate models the units were to be installed in, eliminating the accumulation of production parts that occur in the production process.

In addition to the above, they are grappling with every conceivable means of rationalizing production in order to realize price reductions, doing such things as cutting manufacturing personnel by 30 percent by installing arrays of mini robots, increasing productivity sixfold by introducing lines that combine special-purpose machines with a flexible production system. A certain parts maker, in order to reduce the cost of materials, is continuing efforts to reduce the plate thickness of stainless materials by half, but in order to do that, it will have to modify many different aspects of its process, such as processing machines, welding machines, etc.

In this way, an unprecedented ground swell of a technological revolution can be seen in a segment of cost reduction rationalization movements among the current auto parts industry which is indicating a new aspect that could even aptly be described as "new lean production."

Toward a 30 Percent Reduction in Indirect Personnel

The automakers who competed to expand their production capacity during the bubble economic era are now forced to make serious adjustments in their production. On this point, the situation with parts makers, who have promoted expanded employment and equipment following the requests of automakers, is exactly the same.

At present, the parts makers are concentrating their efforts into streamlining indirect divisions as an important element of cost cutting rationalization. To give a specific indication of target figures for indirect personnel reduction of parts makers, at Zexel, 300 among the approximately 2,600 white collar workers over the entire company were either transferred to new projects, or put on loan to subsidiaries, the number of which increased due to branching off, and another 200 or so people were reduced through attrition. By doing so, the personnel expense of existing businesses will be reduced by about 20 percent. At carburetor manufacturer Mikuni, the plan is for a 30 percent reduction of indirect personnel that includes loans of personnel to direct divisions. At Nissan-affiliated Calsonic, as of 1994, the aim is for a 4,500 person organization, reducing its 5,000 person work force by 500 people or 10 percent. Similarly, as of 1994, the 7,600 person work force of Nissan-affiliated major parts maker Unisia Jecs will be retrenched by just over 20 percent or 1,600 people to end up with an organization of 6,000 people. At Toyota- affiliated Koito Mfg. the policy, as of 1994, is to cut its approximately 4,600 person work force by about 10 percent over a three-year period.

This concludes our examination of the situation surrounding how several auto parts makers are addressing reduction and rationalization of their indirect divisions. As will become clear from this point, each of these makers is attempting to effect cuts in personnel in indirect divisions of 20 to 30 percent, which is very telling of the severity of the production adjustments of the Bubble period. However, even though we talk of personnel reduction and rationalization, this has yet to deviate from the usual "Japanese style employment adjustments" which aim to assure employment by holding down hiring of new graduates, transfers to subsidiaries or related companies, rotation to direct divisions or moving displaced personnel to specialized teams to address specific themes, so this is not resulting in straight personnel reductions via retirement options or issuing pink slips.

However, in the case that cost reduction demands of automakers to parts makers intensify or if consolidation restructuring were to be promoted to a greater degree, one could not say that an escalation to that type of serious reform would be totally out of the question. In fact, even among some of the major parts makers it seems that more severe movements are expanding incrementally in the form of large cuts of personnel accompanying plant closings and transfers of employees to other firms.

Shifting Production Overseas

The progression of the strong yen to 80 yen per dollar, the shift of production by the auto parts makers to Southeast Asia, and the accompanying domestic deindustrialization, are all being looked over. The cause that is actualizing this deindustrialization could be said to be related to the way firms are advancing plans that attempt to switch a portion of their products from domestic production to local production and then reverse import these to Japan.

Specifically, to what extent have part imports to Japan progressed and is it possible to take the view that deindustrialization of domestic industry is an established fact?

Mikuni, which makes carburetors for two- and four-wheeled vehicles is grappling with increased production of carburetors for two-wheeled vehicles by expanding its plant at its Thai production base "Mikuni Thailand" in 1994 and after, because production has increased twofold from 780,000 units in fiscal year 1993 to 1.3 million in fiscal year 1994. Though this is due to the fact that demand for two-wheeled vehicles has rapidly increased domestically in Thailand, it is also because 600,000 units are being exported to Japan, China, etc., and 200,000 units of that figure are Japan-bound. In the near future, we are told that Mikuni will transfer manufacture of carburetors for two-wheeled vehicles from its leading plant, the Kikugawa Plant (in Shizuoka Prefecture), to Mikuni Thailand and two joint venture plants being established in Chengtu and Shanghai in China.

Brake maker Nisshin Kogyo in 1995 established a subsidiary with 100 percent financing for manufacturing friction materials for brakes in Manila in the Philippines. The major object of this was more for export than a response to domestic Philippine demand, and the export destinations besides Japan were Japanese automaker transplants in Indonesia and the United States. In addition to this, that company is in the process of expanding its Indonesia plant and is constructing new plants in Tienchin in China. Because these plants were established in response to overseas production expansion of completed automaker Honda Motors, for the present, emphasis is being placed on parts for two-wheeled vehicles.

Jidosha Denki Kogyo, which manufactures power window motors, wiper systems, etc., expanded in China's Dairen in 1993 with the objective of manufacturing harnesses, solenoids, switches, etc. Because that company was relying on secondary subcontracting firms domestically for labor-intensive parts production of such parts as harnesses, solenoids, etc., it is putting up a total of 30 percent of financing for new Chinese companies with joint participation of three leading affiliated secondary makers in this recent expansion. These parts that were being produced in Dairen are all being reverse imported into Japan, and are being used at the domestic plant as assembly parts.

This type of overseas expansion by groups is showing a tendency toward becoming fairly commonplace in the auto parts industry. Even instrument panel manufacturer Kansei made a group expansion in the Philippines with three leading affiliated secondary cooperating makers. These three companies are each handling precision machining, molding, painting, and press work for auto parts, and it is said that after the expansion of the three companies, Kansei is studying expanding in the Southeast Asia region to build a complementary system.

As is clear from the circumstances explained above, expansion of local production in Southeast Asia and China of autoparts makers has just gotten started, and it is thought that it will take between three to five years before it gets on track. Consequently, it is expected that it will take another several years before domestic deindustrialization will become evident.

Nevertheless, it is necessary to focus our attention on the point that Japanese parts makers, which historically have maintained a closed system of domestic self-sufficiency, are finally preparing a production network in the East Asia region. In particular, it is an interesting point that secondary cooperating makers are being mobilized to carry out a specific role in the creation of that network. It is anticipated that in the future as well, East Asia regions will be bases for the formation of an increasingly complex production network.

Pressing Subcontractors To Revamp

Amid the revision of purchasing expenses expansion of overseas procurement, the content is varied and diverse, such as switching from outsourcing to internal fabrication, selection and consolidation of outsourced contractors, etc. Of those activities, the point will be to address selective reorganization of cooperating manufacturers. In short, many parts makers are engaged in the manufacture of finished products and unit parts, and there is heavy dependence on secondary and tertiary subcontracting firms for parts machining. Depending on the firm, it is not unusual for the reliance on outsourcing to reach between 60 and 70 percent. As a result, in order to realize the wide-ranging cost cutting plans, reorganization of subcontractors will become an indispensable task.

A focal point among the rationalization activities of these groups as a whole is that parent makers are strengthening direct training systems for the purpose of having cooperating companies achieve exhaustive cost cutting rationalization. That is, parent makers will perform training in cost improvement by going into the cooperating makers' plants to form management training teams and to provide technical support for improving their organization. If the handling of the cooperating maker is inadequate, it will necessarily become subject to being selected for elimination.

An actual example of this direct training system can be seen with Mitsuba Electric Mfg., which is moving forward with revision of the production processes of cooperating companies by attaching a 12 member staff after newly establishing a purchasing planning section there. Further, establishing a cooperating firm support department independent from each plant's purchasing department for the purpose of improvement of the cooperating makers constitution, Zexel's method of handling, having integrated both to newly establish a purchasing headquarters in April 1994, is worthy of note.

In addition, as shown by the example of Hitachi Ltd.'s Automobile Equipment division whose cooperative association members were decreased by half in the course of direct training by the parent company, many among small and medium-sized firms are unable to keep pace with the severe cost cutting and rationalization, and there seems to be no end of firms that are falling by the wayside. In this way, in the process of reorganization of subsidiaries that is taking place recently, the secondary and tertiary subcontracting firms at the lower scale of the auto parts industry, are being cut out and the pyramid-shaped hierarchy is being gradually taking on an acute shape.

Disappearing Keiretsu Boundaries?

As seen above, Japan's automobile industry is undergoing a whirlwind of rationalization of paring costs by 30 percent and from the automakers at the apex to the tertiary subcontractors near the bottom there is a struggle for survival underway. What is striking recently amid this movement is orders to parts makers that transcend the boundaries of the automakers' affiliations or the move toward expansion of dealings of parts makers to others besides their affiliated automaker.

In the past, the age of a consistent upward climb of growth maintained the transaction relationship between both automakers and parts makers within the keiretsu framework, but today, having entered a stage of an excessively strong yen when cost cutting has taken precedence over all else, it is no longer possible to be so concerned with the keiretsu structure. Especially due to the intensification of demands to purchase U.S.-made parts of the Japan-U.S. Comprehensive Talks, which recently have been having serious problems, these moves toward diversification of parts procurement sources is shaking the existing keiretsu transaction relationship.

The recent approach of Nissan Motor to Toyota-affiliated parts makers is striking. This is due to the fact that for Nissan, which is struggling with a business slump, improvement of productivity is top priority, and if agreement can be reached on costs, its policy is that it will not refuse even dealing with Toyota-affiliated makers. However, Toyota Motors since 1993 has been moving forward with the supply of electronic parts for gasoline engines for the Hilux from Nissan-affiliated Hitachi Ltd., and recently it has expanded that parts supply to include the Camry. So it is hardly just Nissan that is toying with transaction relationships outside of its keiretsu.

It is interesting to note that with respect to Nissan Motor's advancing with diversification of parts procurement sources that transcend keiretsu boundaries, one Nissan-affiliated parts maker after another is putting its energies in developing sales channels to other automakers besides Nissan. Recently in particular, because of the decline in production quantities at Nissan Motor, Nissan-affiliated makers are channeling significant energy in non-keiretsu transactions. In addition, because Mazda is also continuing to experience a similar slump to that of Nissan Motor, some of its prominent affiliates, such as Nishikawa Kasei, Shinei Kogyo, Moruten and others are putting great effort in increasing the ratio of transactions outside of their affiliation.

In this way, the move to exploit new customers by automakers and the diversification of parts suppliers by finished automakers that transcend the keiretsu could probably be described as rocking the unyielding vertical keiretsu transaction structure that has existed in automobile production up to now.

It is thought that these "keiretsu busting" movements in the automobile industry will be further accelerated by the advance of rationalization by a 30 percent cost reduction. In that context, the keiretsu structure that formed the former Japanese automobile industry framework will be forced to undergo a major transformation.

The point upon which we must focus in the future is the existence of system suppliers (core parts makers) what will become massive and transcend keiretsu boundaries amid the selection and weeding out of subcontractor firms and the weak parts makers on the other hand. As mentioned earlier, tackling cost reduction on the production lines is reaching proportions of a technological revolution that could even completely change everything from design and development to production methods and not just be confined to mere readjustment as an afterthought. In that sense, auto parts production is inevitably being forced to reorganize into a system supplier orientation of supplying basic parts.

Meanwhile, it could be said that small- and medium-sized suppliers that have no capacity to propose cost reductions and suppliers that, while large, have no system capacity, are on their way to falling from their position of being primary makers to becoming secondary or tertiary subcontractor firms.

North Korea

South Minister Comments on Human Rights

SK0610111295 Pyongyang KCNA in English
1033 GMT 6 Oct 95

["Obtrusive Outcries Over 'Human Rights Problem'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The South Korean puppet foreign minister, Kong No-myong, in his general "speech" at the 50th United Nations General Assembly session said "Attention should be paid to the human rights situation of North Korea" and "the North Korean people must be allowed to enjoy universal human rights that anyone can exercise."

His impudent remarks were motivated by a sinister intention to build up world public opinion over the "human rights situation of North Korea," put pressure on the North and thus conceal the human rights abuses in South Korea which have come under fire not only in South Korea but in the international community and prolong their colonial fascist rule on the eve of collapse.

The South Korean puppets, who had raised outcries over "North Korea's nuclear development," have needed a political plot to save their face since the framework agreement was adopted between the Democratic People's Republic of Korea and the United States and it began to be implemented.

This is why Kong No-myong kicked up a clamour about the "human rights situation" of the North. This is, however, nothing but a third-rate drama reversing black and white.

It is only too clear that the human rights issue is not a matter of argument in the North of Korea where all the people fully enjoy genuine freedom and rights in political, economic, cultural and all other fields as the masters of the state and society.

In the Korean peninsula the human rights problem is confined only to the Kim Yong-sam group that have turned South Korea into the worst graveyard of human rights in the world by dint of the "National Security Law," an anti-democracy, anti-reunification fascist law.

It is South Korea, a "civilian" fascist society, where many people have been kept behind bars for several dozen years because they refused to be converted and those who hope for independence, democracy and reunification are penalized.

The South Korean authorities sparked world public resentment by stretching "government power" even to churches and temples and mercilessly trampling down the freedom of trade union activities for elementary vital rights.

They are turning down the demand of students and people for the punishment of those responsible for the May 18 Kwangju bloodbath, which claimed thousands of lives. Worse still, they detained a presbyter above 70 and students for their visit to the North.

With the situation of human rights getting all the more serious in South Korea, even the State Department of the United States, the metropolitan state, made public a special statement calling for revision or abolition of the "National Security Law," an institutional machine of human rights violation.

Nevertheless, Kong No-myong talked about other's "human rights situation," making no mention about the human rights abuses in South Korea. This reminds one of a thief crying "stop thief "

It is ridiculous of the Kim Yong-sam group to use even the international arena in fostering confrontation with the North of the same nation.

Those who plot to injure others are doomed to self-destruction.

The Kim Yong-sam group had better mind their own business, instead of trying to fool public opinion with lies and plots.

Dailies Denounce South for Arresting Students

SK0610051095 Pyongyang KCNA in English 0436 GMT 6 Oct 95

["We Will Never Pardon Them" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The Kim Yong-sam group on October 3 mercilessly beat the delegates Chong Min-chu and Yi Hye-chong, the "birds of reunification," who crossed Panmunjom after visiting the northern half of the country, before taking them to Seoul.

NODONG SINMUN in a commentary October 5 branded it as a vicious [words indistinct] an insult to the northerners who warmly welcomed and sent them off with kindred feelings.

The commentary said:

By committing brutal atrocities against the reunification envoys of the South, the puppets revealed that they are, indeed, heinous enemies of reunification, who do not wish the North-South dialogue and reunification but persistently hinder them, deprived of the right to live with the nation under the same sky. The delegates' Pyongyang visit stemmed from an idea of pure patriotism for the nation's reconciliation, [word indistinct] and reunification, so it should be praised by all fellow countrymen and can not be criminalized in any case.

Nevertheless, the Kim Yong-sam group sent out fascist gangsters who had gotten "training for kidnapping" to shackle the two reunification envoys on their way home after doing righteous activities, on the charge of "infiltration and escape" stipulated in the "National Security Law".

How can it be tolerated?

Crimes must be strictly punished and the nation's sledgehammer will be brought down on the heads of the criminals.

We will never forget but settle accounts with the nefarious atrocities of the fascist clique that mercilessly kicked and beat the delegates under our very eyes, and we will make them pay a thousandfold price for the crime.

Of course, the 70 million fellow countrymen who earnestly wish reunification will never pardon the Kim

Yong-sam group, a heinous enemy of reunification, who unreservedly suppresses and punishes the pro-reunification patriots.

The Kim Yong-sam group must abandon the brutal persecution and repression of the woman Pak Yong-kil and students Chong Min-chu and Yi Hye-chong at once and release them without delay.

The puppets should clearly know that they will be doomed to death if they persist in putting them behind bars and forcing brutalities on them, defying our repeated warnings.

An analyst of MINJU CHOSON urges the Kim Yong-sam group to give up the criminal intention of suppressing the just pro-reunification patriotic struggle of Hanchongnyon and students and immediately release the illegally arrested students.

Pomchonghangnyon Denounces Arrest of Students

SK0610055195 Pyongyang KCNA in English 0500 GMT 6 Oct 95

["Kim Yong-sam Group's Suppression of Hanchongnyon Delegates Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) published a statement October 4 denouncing the Kim Yong-sam group for arresting and viciously persecuting Chong Min-chu and Yi Hye- chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of Pomchonghangnyon, who went back after visiting Pyongyang.

Describing the Kim Yong-sam group's brutality as a despicable last-ditch effort of brazen-faced ones who are ignorant of the nation, bereft of elementary human conscience and indifferent to reunification, the statement sharply denounces it in the name of all youth and students in the northern half of Korea.

The statement says:

The delegates visited Pyongyang keeping in mind the ardent desire of the students and people of South Korea to make this year, the 50th anniversary of national liberation as well as the 50th anniversary of national division, a year of reunification and did righteous acts only for reunification during their visit.

It is evident that the Kim Yong-sam group has no reunification will. They arrest at random, irrespective of age, sex and religion, those who go back after meeting the fellow countrymen in the North to be a supporting stone for national reunification.

It is preposterous for such a group to dare talk about "dialogue" and "exchange".

We warn the South Korean authorities.

They are mistaken if they think that the Korean youth and students in the North, South and overseas, the vanguard of national reunification determined to terminate the 50-year-long division, will tolerate their repressive acts against the delegates.

The Kim Yong-sam group must set free the delegates, the "birds of reunification", at once.

Once they dare to injure the delegates even a little, we will never pardon them.

The North side headquarters of Pomchonghangnyon will vigorously launch a struggle to rescue the two delegates in firm solidarity with organizations in the South and overseas under Pomchonghangnyon.

South's Call for Measures on Peace Viewed

SK0510141695 Pyongyang Radio Pyongyang in Korean to South Korea 0930 GMT 3 Oct 95

[Unattributed talk from "The Program for Officers and Men of the South Korean Armed Forces": "South Korea Is Not Qualified To Participate and Interfere in Establishing New Peace Regime"]

[FBIS Translated Text] Officers and men of the South Korean Armed Forces:

In a so-called congratulatory address marking the 15 August national liberation anniversary some time ago, the traitor Kim Yong- sam raved that the relevant parties for establishing the peace regime are North and South Korea and that the North and the South should jointly work out measures for abiding by the Armistice Agreement and establishing the peace regime.

Following this, the puppet minister of the National Unification Board again babbled that the issue of establishing a peace regime on the Korean peninsula should be resolved between the parties concerned in the North and the South.

Such act and remarks by the South Korean puppets are presumptuous, merely revealing their sinister intention to block the establishment of a durable peace regime on the Korean peninsula and to use the armistice system, which exists only in name, for realizing their impure aims by maintaining it intact.

The South Korean puppets have neither qualification nor justification for participating and interfering in establishing a new peace regime.

As has been known, the DPRK Government, in a Foreign Ministry statement dated on 28 April 1994, proposed to the U.S. side to hold negotiations for establishing a new peace regime which is capable of preventing an arms buildup and recurrence of war on the Korean peninsula and of practically ensuring a durable peace.

This is indeed a just proposal for negotiations made by putting into consideration the legal and realistic condition that the one who actually signed the Armistice Agreement is the United states and the one who has the actual prerogative of supreme command of the Armed Forces in South Korea is none other than the United States.

The great leader Marshal Kim Il-song has taught: The issue of replacing the Armistice Agreement with a peace agreement should be resolved only by the DPRK and U.S. authorities, who are the actual signatories to the Armistice Agreement and are the real power holders [silkwonjadurin] capable of ensuring peace in Korea.

As taught by the great leader, the issue of turning the Armistice Agreement into a peace agreement should be resolved by us and the United States, who are the practical parties concerned.

The Korean Armistice Agreement specifies that the Armistice Agreement was signed by assuming our side as one side and the UN Forces' side as the other, and that this agreement is applicable only to both sides of the armistice in Korea.

The South Korean puppets are neither UN Forces nor a signatory to the Armistice Agreement. Furthermore, the South Korean puppets historically persistently opposed to conclusion of the Armistice Agreement itself.

The rascals did not show up even in the site of main conference of the armistice negotiations nor did they participate in the ceremony of signing the Armistice Agreement.

In view of today's reality, the operational command of the South Korean puppet army is still in the hands of the United States and all problems raised on bilateral relations of the Korean Armistice Committee for the past 40 years have been handled and dealt with by the United States. This is a fact well known to the entire world.

From the standpoint of international law, the issue of revising the treaty or agreement signed between two sides or replacing it with another one is to be handled by the parties who are legally concerned. However, South Korea, which is not a signatory to the Korean Armistice Agreement but opposed it to the end and which cannot, in actuality, exercise the prerogative of supreme command of the military, is attempting to interfere in it. This is indeed ridiculous and preposterous.

The United States and the South Korean puppets are trying to claim that South Korea is a party concerned with the Armistice Agreement by bringing a general of the puppet army into the conference room of the Armistice Commission. They are also attempting to legalize their unjust claim.

However, on 15 July 1953, just before the conclusion of the Armistice Agreement, the United States guaranteed [tambo hekko] to our side that the South Korean Government and Armed Forces would be placed under the restrictions of the Armistice Agreement and the UN Forces would take the responsibility for making South Korean Armed Forces strictly observe the Armistice Agreement. This is the very reason why the United States brought a general of the South Korean puppet army into the conference room of the Military Armistice Commission.

Nevertheless, the South Korean puppets raved as if they were qualified for something. This is indeed nonsensical.

Besides, the South Korean puppets claimed that since the United States signed the Armistice Agreement representing the United Nations, the United States is not the party concerned but they are the very party concerned with the conclusion of the peace agreement in accordance with the North-South Agreement, thus presenting sophism.

The so-called UN Forces, which are a signatory to the Korean Armistice Agreement, are an invention [changanpum] made by the United States in the name of the United Nations to trigger and legalize the Korean war. The UN Forces Command, which has existed in South Korea from the fifties to the present, is no more than a camouflaged organization, which was not formed by any UN decision but named by the United States at its own free will.

The UN Forces Command that exists in South Korea today is none other than the U.S. Forces Command, and the UN Forces are the very U.S. troops. Therefore, as long as the U.S. Forces continually occupy South Korea, the United States is the legal party concerned which cannot avoid the establishment of a new peace regime.

The South Korean puppets cannot exercise the complete prerogative of supreme command of their own Armed Forces. They are merely colonial stooges of war who cannot exercise any right toward the U.S. Forces in South Korea.

It is clear even to a child that even if the South Korean puppets interfere in the issue of establishing a peace regime, they would only make the situation complicated, and would have nothing to do.

Furthermore, the South Korean puppets who pledged nonaggression with us through North-South Agreement are presumptuously attempting to participate and interfere in the issue of establishing a peace regime which should be resolved between us and the United States. We must think that this is an intention to nullify the North-South Agreement and to throw it away.

The North-South Agreement is a declaration of national independence and of great national unity which proclaimed that the issue of national reunification should be resolved by the driving force of the nation by realizing the nation's reconciliation and unity. This is also a declaration pledging nonaggression between the North and the South.

Based on the North-South Agreement, the North and the South on the Korean peninsula pledged nonaggression against each other. They even formed the North-South Joint Military Committee which would supervise the implementation of the nonaggression pledge, thus providing a substantive basis for ensuring peace.

Therefore, only problems, which should be resolved between us and the United States in achieving a durable peace on the Korean peninsula, have now been left. If a peace regime is established between us and the United States, this means that a most solid and complete peace guarantee mechanism would be provided on the Korean peninsula. This would also give affirmative influence to the implementation of the North-South Agreement.

However, the Kim Yong-sam group, which is neither a signatory to the Armistice Agreement nor has the prerogative of supreme command of its Armed Forces, is attempting to disturb the establishment of a new peace regime, discarding the North-South nonaggression pledge. This cannot but be a rash, foolish act of those who are not able to make correct judgment of the reality on the Korean peninsula and of their own situation.

If the South Korean puppets are interested in establishing a peace regime on the Korean peninsula, even a slight degree, they should apologize to the nation for their act of rupturing North- South dialogue and of making the North-South Agreement a piece of scrap paper. They should create the condition for implementing the North-South Agreement.

Officers and men of the South Korean Armed Forces should precisely realize unreasonableness of the Kim Yong-sam puppet clique's antinational maneuvers to disturb the establishment of a new peace regime, and should stop aggravating the situation by following the rascals' order and being dragged into war exercises. They should rise in the patriotic path for national reunification.

Struggle To Punish Kwangju 'Culprits' Viewed

SK0610055495 Pyongyang KCNA in English 0504 GMT 6 Oct 95

["NODONG SINMUN on S. Korean People's Struggle for Punishment of Murderers of Kwangju Uprisers" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — It is entirely justifiable for the South Korean students and people to insist on the punishment of the chief culprits of Kwangju massacre and wage a struggle denouncing the Kim Yong-sam group for protecting them. This struggle should be waged to the end to liquidate the fascist rule and realize democracy in South Korean society, says NODONG SINMUN October 5 in a commentary titled "They Will Fight to the End".

The news analyst says:

It is the South Korean students and people who are not reluctant to tear limb from limb the Chon Tu-hwan-No Tae-u group, who mercilessly murdered thousands of patriotic people in Kwangju.

The Kim Yong-sam group's move to cover up their indelible crimes, instead of calculating them, is an insult to the Kwangju uprisers who fell down calling for patriotism and democracy.

And, it is a revelation of their wicked interior mind to remain in power safe for the latter half of office, even by following in the footsteps of the traitors Chon Tu-hwan and No Tae-u.

To throw the architects of Kwangju bloodbath and the Kim Yong-sam group defending them into the rubbish dump of history is the aspiration of the South Korean democratic forces and an irresistible demand of popular sentiments.

Pak Yong-kil Refuses To Appear at Court

SK0610054395 Pyongyang KCNA in English 0506 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The first trial for the woman Pak Yong-kil planned by the fascist clique of South Korea at the Seoul District High Court on Wednesday proved abortive due to her refusal of presence at the court, a Seoul-based radio said.

The fascist clique, who have forced persecution upon the woman after detaining her, were planning to bring her to justice, that day, on the charge of violation of the "National Security Law [NSL]."

At this, the woman held that it was unjustifiable to invoke the "NSL" and refused to be present at the court, insisting that she only attended the memorial service on the first anniversary of President Kim Il-song.

Pak Yong-kil stands against the fascist clique's anti-national repressive act to punish her on the charge of violating the "NSL" and people of all walks of life are siding with her.

Report on South 'Air War Exercise'

SK0610050295 Pyongyang KCNA in English 0429 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — Fighters of the Air Force of the South Korean puppet army held one more air war exercise against the North in the sky above Anmyon and Oeyon Islets on the West Sea [Yellow Sea] of Korea on October 4, according to military sources.

The war exercise involving more than 180 fighters and reconnaissance planes is a military provocative act for preemptive attack on the major strategical objects in the eastern and western coastal areas of the northern half of Korea. That day, formations of scores of fighters flown in the sky above the western sector of the front carried out a striking exercise for aerial support to the ground units of the puppet army engaged in offensive exercise against the North in the area.

Meanwhile, an armoured group of the puppet army that advanced to the western sector of the front from the inner area took firing postures with large-calibre machine guns aiming at a North post.

The Kim Yong-sam group must clearly know that such a war move will lead to self-destruction and must stop running riot.

North, Libya Sign Protocol, Cooperation Plan

SK0610002795 Pyongyang KCNA in English 1606 GMT 5 Oct 95

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA) — A protocol of the 11th session of the joint committee of the government of the Democratic People's Republic of Korea and the Great Socialist People's Libyan Arab Jamahiriya was signed here on Wednesday.

The protocol was signed by Yi Song-tae, chairman of the State External Economic Affairs Commission of Korea, and Miftah M. Ku'aybah, marine wealth secretary of the General People's Committee of Libya.

A 1995-1997 plan for execution of cooperation in information and culture between the two governments was signed that day.

Vice Foreign Minister Leaves To Attend UNGA

SK0510235895 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 5 Oct 95

[FBIS Translated Text] A DPRK delegation led by Choe Su-hon, vice foreign minister, left Pyongyang today by airplane to attend the 50th UN General Assembly [UNGA].

Foreign Ministry, Parliamentary Groups Depart

SK0610004095 Pyongyang KCNA in English 1614 GMT 5 Oct 95

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA) — A delegation of the DPRK led by Vice Foreign Minister Choe Su-hon left here today to attend the 50th session of the UN General Assembly, a delegation of the parliamentary union of the DPRK to attend the 94th inter-parliamentary conference slated in Romania, and a delegation of Korean youth officials to attend the second meeting of youth leaders in East Asia slated in China.

Choe Chong-nam, director of the joint secretariat of the National Alliance of Youth and Students for the Country's Reunification, also left here today.

UNDP Commissions Two Projects to North

SK0610052195 Pyongyang KCNA in English 0449 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The project for modernizing the production of transformers and the project for controlling danger to environmental health were completed in line with the plan for cooperation between Korea and the United Nations Development Programme [UNDP].

Present at the commissioning ceremonies held on the spot on Thursday were Yi Song-tae, chairman of the State External Economic Affairs Commission, officials concerned and G. Faruq Achikzad [name as received], UNDP representative in Korea.

Indonesian Envoy, Embassy Staff Harvest Rice

SK0610082695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 2 Oct 95

[FBIS Translated Text] Afri Pane Zulkarnain, Indonesian ambassador to the DPRK, and embassy staff members helped rice harvesting at the DPRK-Indonesian Friendship Yaksu Cooperative Farm on 2 October.

The guests helped farmers of this farm who are accelerating work embraced with the burning determination to complete harvesting before the 50th anniversary of the party founding. During rest time, the guests sang songs of the two countries along with the farmers, and shared sentiment of friendship.

Cambodia's Sihanouk Sends Kim Chong-il Message

SK0610005395 Pyongyang KCNA in English 1610 GMT 5 Oct 95

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA) — The great leader Comrade Kim Chong-il received a message of greetings from King Norodom Sihanouk of Cambodia on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

The message dated Oct. 2 says that the WPK is a product of the brilliant and immortal exploits of His Excellency President Kim Il-song, the greatest hero ever in Korea's history of thousands of years, liberator of Korea, the respected intimate father of the Korean nation and people and the founder of the invincible Democratic People's Republic of Korea.

Under the wise and brilliant leadership of President Kim Il-song and His Excellency Marshal Kim Chong-il the WPK built the DPRK in a shortest span of time in history of the world, the republic which has been turned into a country most advanced in all fields of socialist construction, an invincible and powerful state, and into a world-leading model of independence and nonalignment, it notes.

It expresses the belief that the WPK under the wise leadership of His Excellency Marshal Kim Chong-il will realize the independent and peaceful reunification of Korea, the greatest cherished desire of His Excellency Generalissimo Kim Il-song, who is the eternal father of the Korean people and nation.

Photo Exhibition, Film Shows Held Abroad

SK0610082895 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 2 Oct 95

[FBIS Translated Text] From the period of 13-21 September, a photo exhibit and film show were held at the DPRK Embassy in China, and film shows were held at the DPRK Embassy in Finland and at the DPRK permanent mission of the World Tourism Organization in Spain, on the 50th anniversary of the founding of the Workers Party of Korea [WPK].

A picture of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il giving on-the-spot guidance of works at various sectors of the people's economy was placed in front of the place of the events, and photos showing achievements made by our people under the wise leadership of the WPK, were exhibited.

Figures from the political, social, and education circles of the related countries, and functionaries of friendship organizations were on hand. After looking over the exhibited photos, participants of the events watched our country's films such as "He Was Always There in the Road for the People," "The 50th Anniversary of the Founding of the Heroic Korean People's Army," and "Korea's Faith."

Participants of the events unitedly enthusiastically congratulated the 50th anniversary of the WPK founding and highly praised the proud results our people achieved in revolution and construction.

Hwang Chang-yop Meets PRC Daily's Group

SK0610005495 Pyongyang KCNA in English 1612 GMT 5 Oct 95

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA) — Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop today met and had a friendly talk with the visiting delegation of the Chinese People's Daily led by editorialist Zhang Junfa.

On behalf of the delegation, Zhang Junfa prayed for the immortality of the great leader of the Korean people Comrade Kim Il-song and wished a long life in good health for the great leader Comrade Kim Chong-il.

He expressed the belief that the Workers' Party of Korea and the Korean people would achieve greater success in the revolution and construction, closely rallied behind Comrade Kim Chong-il, true to the behests of Comrade Kim Il-song.

Kim Chong-il's Work on WPK Published

SK0510085795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 4 Oct 95

["Classical work" by Kim Chong-il published on 2 October: "The Workers Party of Korea Is the Great Leader Comrade Kim Il-song's Party"]

[FBIS Translated Text] Fifty years have passed since our party was founded. Greeting the 50th anniversary of the founding of the Workers Party of Korea [WPK], our party members and people recall with deep emotion the glorious struggle road of our party which has achieved historic victories and epochal transformation by upholding the respected and beloved leader Comrade Kim Il-song at the head of the party and express infinite gratitude and most noble respects to the great leader Comrade Kim Il-song, who founded and led our party.

The WPK, founded as the working class' party of new type thanks to Comrade Kim Il-song's wise leadership, has been strengthened and developed into a veteran and revolutionary party which has been tempered and tested amid the flames of struggle for half a century and into an invincible party which has enjoyed absolute support and trust from the people.

Our party has created a brilliant new history in the accomplishment of the popular masses' cause of independence, the cause of socialism, under Comrade Kim Il-song's leadership and has registered great, immortal achievements in this process.

The history of the WPK is precisely the history of the respected and beloved leader Comrade Kim Il-song's great revolutionary activity. Comrade Kim Il-song's noble footprint is engraved not only on the road of arduous struggle our party has traversed, but also on the road of victory filled with glory. The great achievements our party has registered, as well as our party's invincible might and its high prestige, are closely linked with the revered name of Comrade Kim Il-song.

The WPK is the great leader Comrade Kim Il-song's party, and because of the great, revered name of Comrade Kim Il-song, our party's 50 year-long history has been glorious. The revered name of Comrade Kim Il-song and his achievements will be eternal and immortal together with the history of our party.

The WPK is the glorious party that pioneered the new road to build a revolutionary party of the era of independence under the leadership of the great leader Comrade Kim Il-song and has created a brilliant model in this course.

Already from the early period of his embarkment on the road of the revolution, Comrade Kim Il-song, viewing party building as the basic question in the revolution, carried out energetic activities to found a revolutionary party that will lead our revolution.

Proceeding from his firm faith that the main force of the revolution is precisely the popular masses, Comrade Kim Il-song carried out the revolutionary struggle by organizing and mobilizing the popular masses. In the work to found the party, Comrade Kim Il- song also built the foundation from the base level first in such a way as to go down among the masses, to foster genuine communists among the masses, and, thus, to build infrastructural organizations first.

The organizational and ideological foundation to found our party was provided and consolidated amid the flames of arduous anti- Japanese revolutionary struggle for 20 long years under the leadership of Comrade Kim Il-song. Core communist ranks were fostered and tempered amid all sorts of hardships and amid the formidable struggle determining life or death. As a result, genuine unity and cohesion of the revolutionary ranks with the leader [suryong] as the center was achieved, and the foundation of the communist movement among the masses was firmly built.

In the course of organizing and leading to victory the anti-Japanese revolutionary struggle, Comrade Kim Il-song achieved the glorious revolutionary tradition, which became the cornerstone for the ages of our party and the revolution. The firm organizational and ideological foundation for the founding of the party and the glorious revolutionary tradition provided in the anti-Japanese revolutionary struggle period made it possible for our party not only to be founded in a timely manner even amid the complicated circumstances after national liberation, but also to brilliantly perform the mission as the political general staff leading the construction of a new fatherland from the first day of its founding.

With the founding of the WPK, it was possible for our people to victoriously pioneer their destinies with their reliable vanguards, their combat general staff. With the founding of our party, a new history of the revolutionary party of the era of independence was unfolded.

The respected and beloved leader Comrade Kim Il-song, who creatively and brilliantly realized the cause of founding the party, has strengthened and developed our party into a great revolutionary party by wisely leading party building work. The history of building our party is the history in which the chuche idea and the ideology and theory on building a chuche-oriented party based on the chuche idea have been brilliantly embodied under Comrade Kim Il-song's leadership.

Our party is a chuche-oriented revolutionary party that was built, strengthened, and developed with the chuche idea as its guiding ideology.

The character of a party, the goal of its struggle, and the basic direction of party building and party activity are to be determined by the party's guiding ideology, and the combat capability and might of a party are also to be influenced by the party's guiding ideology. Only the party guided by a great ideology can become a great party.

The great leader Comrade Kim Il-song has elucidated a correct way for the popular masses to pioneer their destinies independently by founding the immortal chuche idea and has built a new revolutionary party of chuche type which is guided by the chuche idea for the first time in the history of the communist movement. This is precisely the most brilliant achievement that he has registered.

The chuche idea is a new scientific view on the world which correctly reflects the popular masses' aspiration for independence and the demands of the times. It is also a great ideology that has effected a fundamental turning point in the development of the working class' revolutionary ideology. The chuche idea is the ideological and theoretical basis in building our party and is the only guiding principle of the revolution and construction.

Our party has carried out party building and party activity, consistently taking the chuche idea as its guiding principle. Thanks to this, our party has been able to become not only a powerful and mighty revolutionary party with a most solid foundation, but also a great and dignified party that leads the revolution and construction to the single road of victory.

Our party has carried out party building and party activity with the chuche idea as its guiding principle. Herein lies the basic characteristic of our party building.

Based on his rich experience achieved in the course of leading the great chuche idea and many stages of revolutionary struggle, Comrade Kim Il-song has elucidated anew the basic principle of the working class' party building and ways for its realization. He has also extensively systematized the chuche-oriented ideology and theory on party building. The chuche-oriented ideology and theory on party building is, in a word, the man-centered party building ideology and theory based on the basic principle of the chuche idea.

The essence of the chuche-oriented ideology and theory on party building lies in solving, with men placed on the center and through work with men, all problems arising in party building and party activity.

The solidness and might of the party and all successes in party building depend on how to indoctrinate party cadres and party members who form the party; how to rally them organizationally and ideologically; and how to firmly rally the masses, which form the social and class foundation of the party; around the party.

Work with men is the foundation of party building, the basis of party activity, and the peculiar method of activity of the working class' party which uses ideology as a weapon. The working class' party can firmly build party ranks, strengthen the party's foundation among the masses, and successfully lead the revolution and construction only when it grasps work with men as its basis.

The chuche-oriented ideology and theory on party building has elucidated anew the basic principle in the working class' party building based on the theory on the main force of the revolution. The main force of the revolution is a united body of the leader [suryong], the party, and the masses.

The popular masses can occupy the position as the main force of the revolution and can perform the role as the main force of the revolution only when they are blessed with the leadership of the party and the leader [suryong]. In the main force of the revolution, the leader [suryong] is the highest brain and the center of unity and cohesion. The party is the political organization that realizes the leader's [suryong] ideology and leadership.

Apart from the leader's ideology and leadership, we cannot think of the party as the leading political organization. The party cannot lead the revolution and construction to victory without linking with the masses. When the leader, the party, and the masses become one flesh with the leader as the center a most solid and mighty main force of the revolution can be formed, and this then becomes the great driving force of the revolution and construction. Therefore, the working class' party should be built into the leader's [suryong] party and into the political organization which realizes the leader's [suryong] ideology and leadership. It should also be perfectly united with the popular masses as one.

This is the basic demand for the existence and development of the working class' party. This is also the basic principle that should be consistently adhered to and inherited in party building.

Comrade Kim Il-song's ideology and theory on party building have elucidated the most scientific and revolutionary doctrine, principle, methods which should be thoroughly embodied and implemented in the working class' party building and party activity. This is why Comrade Kim Il-song's ideology and theory on party building have become a mighty ideological and theoretical weapon which has made it possible to firmly build our party organizationally and ideologically, to strengthen the blood ties between the party and the masses, and to constantly enhance the party's leading role.

The great leader Comrade Kim Il-song built our party into a revolutionary party in which the monolithic ideological system has been firmly established. The party's monolithic ideological system is the leader's [suryong] ideological system and the leader's leadership system. Establishing a monolithic ideological system is a basic way to build the party into the leader's party. The leader's ideological and leadership systems must be established to firmly guarantee the uniformity of ideology and leadership. By doing so, the party ranks' ideological unity and organizational cohesion can be realized and the party can fulfill the role of a political leadership organization.

The working-class party must imbue the whole party with the leader's ideology and must be a pure ideological body and organizational monolithic body that move as one under the leader's single leadership.

Our party's struggle to establish a monolithic ideological system was the struggle to thoroughly arm the party members with the leader's ideology and strongly unite them around the leader ideologically and volitionally and overcome alien ideas and sectarian elements that run counter to the leader's ideology and leadership and hamper unity and cohesion.

Under Comrade Kim Il-song's leadership, our party endlessly strengthened the ideological indoctrination to arm all the party members in the party's revolutionary ideology and chuche idea, and by vigorously carrying out the ideological struggle opposing all kinds of alien ideologies and sectarian elements including flunkeyism, dogmatism, revisionism, and factionalism, factionalism, which caused immorality in our revolution throughout history, was thoroughly liquidated and work was carried out so that all kinds of opportunist trends, including modern revisionism, could not infiltrate us.

Our party overcame factionalism and flunkeyism in the Korean communist movement and thoroughly blocked the infiltration of opportunism, including modern revisionism. This was a historic victory in guaranteeing the party ranks' cohesion and unity and its purity and in establishing the party's monolithic ideological system.

Through the struggle to establish a monolithic ideological system, our party's cohesion and unity is based on the leader's ideology and was intensified and developed into the whole party's ideological and volitional and moral and ethical cohesion and unity, centered on the leader.

Today, all of our party members are firmly armed with our party's monolithic ideology — Comrade Kim Il-song's revolutionary ideology, know of no other ideology than the revolutionary ideology of Comrade Kim Il-song, bear in mind the loyalty toward the party and leader with revolutionary faith and integrity, and are resolutely advocating and implementing the party's line and policy.

Here, where all the party members are impregnably united around the leader based on one ideology and faith, comradely love, and revolutionary integrity, lies the solidity and invincibility of our party's cohesion and unity.

The great leader Comrade Kim Il-song built our party into a militant party which possesses strong organizational spirit and disciplinary character. Organizational spirit and disciplinary character is an intrinsic demand of socialist and communist movement based on collectivism, and a basic guarantee of the militant might of the party carrying out revolution and struggle.

The uniformity of ideology and leadership is guaranteed according to organizational spirit and disciplinary character, and cohesion and unity apart from organizational spirit and disciplinary character cannot be thought about. If there is no organizational spirit and disciplinary character, the working-class party cannot lead the revolution and the party itself will become lethargic and be degraded into an existence which is little more than a mere name.

In party building and party activities, Comrade Kim Il-song accurately embodied the principle of democratic centralism to thoroughly establish the monolithic leadership system within the party and established revolutionary and multi-faceted regulations. In our party, the principle of democratic centralism is the party's organizational principle, manifesting democracy based on firmly establishing regulations in centralism.

Centralism is a revolutionary regulation and order in which the whole party moves as one under the leader's monolithic leadership. The party's cohesion and unity and consistency in action cannot be guaranteed apart from this.

Democracy summed up the will of the party members and masses and established the party's line and policy. Also, in the struggle to implement it, the party members' voluntary enthusiasm and creativity must be highly manifested. If regulations in centralism are weakened and an unprincipled democracy is allowed, disorder is created within the party and the party then becomes disorganized.

By accurately applying the principle of democratic centralism in our party, the leader's leadership was smoothly permeated from the center to the lowest echelon, and it was possible for all party organizations and party members to firmly establish a revolutionary trait of accepting the party's line and policy as theirs and thoroughly implement it by manifesting high enthusiasm and creativity.

Enhancing the function and role of party organizations and strengthening the party members' party life are a matter of key importance in enhancing the party's organization and discipline. Our party built strong party organizations and enhanced their function and role in all aspects, so that all party organizations might act based thoroughly on the party's organizational principles and the party's work system and function actively always as party organizations, and made great efforts to intensify the party members' party life.

Party members are connected through party organizations, and receive the leader's ideology, his leadership, and the party's breath through the party organization's ideological life. Party life is the school of revolutionary education which arms the party members with the leader's ideology, tempers their party-mindedness, and fosters their organization-mindedness and discipline-mindedness.

Without party life, the ideological consistency and the consistency of action of the millions of party members are unthinkable.

In our party today, an orderly party life system and revolutionary party life ethos have been thoroughly established. All party members belong to party organizations, lead normal party life according to monolithic party life regulations, and participate in party life with self-awareness and with an attitude befitting masters, so that the party members' party life is regularized and made part of their lives and the party's organization and discipline are strengthened extraordinarily.

Therefore, our party has become the most organizational and disciplined party in which the entire party membership consistently breathes and functions based on high self-awareness and consciousness, and thoroughly exerts its might as a political organization.

The great leader Comrade Kim Il-song built our party to be a mass-oriented party which takes root in broad popular masses. The working-class party can become an invincible party when it is wholeheartedly united with the masses and commands active support of the broad popular masses. The class-oriented demands of the working class represent the fundamental interests of the working popular masses, and the historical mission of the working class is to realize the social liberation of all the working popular masses as well as of the working class itself.

Our age is the age of independence in which the popular masses have emerged the masters of history, and the cause of independence of the popular masses can victoriously advance through the active struggle of the broad popular masses, including the working class.

The respected and beloved Comrade Kim Il-song put forth and brilliantly realized a line on building the mass-oriented party of the working people consisting of workers, peasants, and working intellectuals precisely reflecting the fundamental interests of the working popular masses, including the working class, and the demands of the age of independence and starting from the specific reality of our country.

The flag of our party which bears a hammer, a sickle, and a brush is the brilliant symbol of the revolutionary party of the age of independence which we came to have for the first time in history. At the same time, it is the banner of unity, the banner of victory, and of the popular masses who pioneer their destiny independently.

According to its mass-oriented party building line, our party extensively accepted the advanced elements of workers, peasants, and working intellectuals and correctly combined the party rank's quantitative growth and qualitative solidity. By so doing, our party continuously expanded and strengthened the party while firmly adhering to the party's working class-minded and revolutionary nature.

Because the party was built to be a mass-oriented party and the mass line was thoroughly implemented in party activities, our party has been strengthened and developed to be the party which defends and represents the independent demands and interests of the working popular masses and to be the revolutionary party of the working class which takes root in broad popular masses and wholeheartedly united with the masses.

The justness and vitality of our party's mass-oriented party building line were manifested all the more clearly as socialist construction was deepened and developed. The process of socialist construction is the process of remaking all the members of society in the form of the working class, the process of modeling the entire society on the working class, and the mass-oriented party building line conforms entirely to the inevitable demands of socialist construction.

By implementing the mass-oriented party building line, our party continuously increased the party rank and further strengthened the party's foundation in the masses while maintaining the party's working class-oriented nature. By so doing, our party vigorously accelerated the process of modeling the entire society on the working class.

The great leader Comrade Kim Il-song built our party under a long-range program so that it can firmly inherit the party's cause from generation to generation. The cause of independence of the popular masses is the leader's cause and the party's cause, and it is the historical cause carried on over many generations.

The working class' party can invariably adhere to the revolutionary character and appearance and perform its honorable mission to the end as a leading political organization only when it firmly inherits the leader's ideology and leadership generation after generation. For the party to correctly inherit the leader's ideology and leadership, it is necessary to thoroughly ensure continuity in party building.

History teaches a serious lesson that when continuity is not ensured in party building, the lineage of the revolution will be severed, and traitors of the revolution will emerge and ruin the leader's [suryong] cause, the party's cause.

The respected and beloved leader Comrade Kim Il-song not only founded our party and strengthened and developed it into an invincible party, but also built the firm foundation which can brilliantly inherit and consummate the party's cause with his outstanding farsightedness.

Comrade Kim Il-song brilliantly elucidated the road ahead for our party and our revolution, looking ahead to the distant future, and, thus, firmly provided the party's organizational and ideological foundation and leadership system for the inheritance and consummation of the chuche revolutionary cause. The respected and beloved leader Comrade Kim Il-song's ideology and leadership is being firmly inherited by our party.

Today, our party, as the revolutionary party with high prestige and invincible might, enjoys absolute support and trust from the people and is leading the revolution and construction with certainty. The working class' party is the weapon of the revolution, and founding the party and strengthening it organizationally and ideologically is for the realization of the popular masses' cause of independence.

For the past 50 years since its founding, our party, by leading the popular masses, achieved a great victory in the revolution and construction and registered valuable and rich experiences. Even after national liberation was achieved through the bloody anti-Japanese revolutionary struggle, our revolution advanced amid an unprecedentedly complicated situation and arduous struggle.

Even amid the division of our country's land into two by outside forces, the fatherland liberation war against the armed invasion by the combined imperialist forces, the imperialists' constant aggression and their maneuvers for destruction and sabotage, the rapidly changing international situation, the collapse of socialism in many countries, and the aggravation of antisocialist and anti-Republic maneuvers by the imperialists and reactionaries in the wake of the collapse of socialism, we successfully carried out the two phases of social revolution and the two occasions of rehabilitation construction. Thus, we have built the popular mass-centered socialism while resolutely defending the country's sovereignty and revolutionary gains and added luster to our socialism.

Despite countless difficulties, the revolution and construction have been vigorously pushed ahead and great changes have been made in the country and the people's life. Our country's socialism thoroughly defends and guarantees the independence of the popular masses, and excellently fulfills the independent demand of the popular masses. All society members exercise equal and independent rights in political, economic, and cultural life, and enjoy a valuable and rewarding life free of any social instability or worries about living. Our society is the most stable and sound society in which all people are united in one heart around the party and the leader, forming one big happy family. Our society is filled with healthy and vital emotion, and revolutionary spirit.

Today, our people are highly displaying the communist laudable traits with which they devote themselves to society and the collective, and help and lead each other with comradeship. This demonstrates the superiority and vitality of our country's socialism, and proves the lofty ideological and spiritual traits of our people. Under the leadership of the party, our people have bravely overcome difficulties and obstacles and walked along the single road toward victory. They are vigorously struggling for a new victory bearing faith and optimism in the future.

In today's complicated situation, our socialism remains staunch and victorious, and our socialist fatherland is highly displaying its dignity and glory. The imperialists and reactionaries used all possible maneuvers to block the advancement of our party and people and to crush our socialism, but all failed. The experience of actual practice in our revolution most forcefully proves that people who unite in one under the leadership of the great leader and the great party, and struggle for their just cause are invincible, and that the current era is a historical new era of independence in which the popular masses are the master of their own destiny.

Under our party's leadership, our people newly pioneered the path of carrying to accomplishment the popular masses' independence cause — the genuine road of socialism — and built popular mass-centered socialism, and consolidated and developed it. Thus, we dealt a decisive blow to various reactionary propaganda slandering socialism, and clearly proved through practice the scientific nature, truthfulness, superiority, and invincibility of socialism.

For our party, which took the responsibility for the destinies of the nation and the people, national reunification has been raised as the supreme national task from the first day of its founding.

Our party consistently implemented a policy of national reunification based on the three principle of independence, peaceful reunification, and great national unity.

Reflecting aspirations for reunification of all people in the North, the South, and overseas, our party put forward a most reasonable, fair, just, and realistic reunification plan through a confederal system, and is struggling to achieve it. Our party is making all efforts to achieve the great national unity under the banner of national reunification.

Our party's national reunification policy is a genuine patriotic policy, and enjoys the unanimous support and agreement from all the people.

Thanks to our party's precise policy and consistent efforts for national reunification, the people's aspiration to reunification have been enhanced higher than ever before, and national unity of all fellow countrymen in the North, the South, and overseas has been strengthened.

Our nation's reunification forces, who have been further fostered and strengthened with each passing day, will crush domestic and foreign separatist forces and will achieve the cause of national reunification without fail.

Our party led the people's cause of independence to a shining victory and performed great exploits because it strictly applied the chuche principle and method of leadership in the revolution and construction.

In the course of leading the revolution and construction, our party safeguarded the demand and interest of the popular masses by relying on them. Our party always struggled in firm unity with the popular masses.

The popular masses are the masters of the revolution and construction and the might stepping up the revolution and construction lies in the popular masses. This is the basic principle in the revolution expounded by the chuche idea.

The policy of defending and achieving the popular masses' demand for independence and their interest is the most revolutionary and scientific policy. It is a basic demand in the revolutionary leadership to highly display the popular masses' might and wisdom by relying on them.

If one trusts and depends on the people, one will be victorious always. However, one keeps the people in the distance and one is discarded by them, one will be defeated each time. This is the very idea of regarding the people as the heavens which the respected Comrade Kim Il-song assumed as his motto. This worked as the basic starting point of all our party's activities and as the supreme principle.

The respected Comrade Kim Il-song was the great leader of the people and their father. Comrade Kim Il-song's idea, leadership, and traits were based on and have been consistent with the love of and trust in the people. Comrade Kim Il-song mixed with the people, shared weal and woe with them, and devoted everything to the people all his life.

Comrade Kim Il-song firmly believed in our people's strength, wisdom and excellent temperament. By relying on the popular masses, he inspired the revolutionary zeal and creative might of the masses, and resolved all problems.

Our party completely reflected in all its activities Comrade Kim Il-song's lofty idea and revolutionary leadership method of regarding the people as the heaven.

Our party formulated lines and policies by precisely reflecting the popular masses' will and demand and by making a comprehensive compilation of them. By mobilizing the popular masses' might and wisdom, our party carried to accomplishment its lines and policies.

Our party firmly gave the precedence to ideological work — political work — to raise the popular masses' ideological awareness and achieve their organizational unity, over all other works. Our party persistently struggled to oppose the act of wielding power and bureaucratism among functionaries and to establish a revolutionary work method and popular work style among them.

It is a firm iron-clad principle in our party's activities and in our functionaries' work to always mingle with the people, upholding the party's slogan, "We serve the people!" and to devotedly work for the people by breathing with them. Thus, our party is carrying out the revolutionary tasks by depending on the popular masses.

Our party is the motherly party which takes the responsibility for and care of the destinies of popular masses, and our party's politics are the politics of trust and love of the people and politics of benevolence.

The party and the leader trust and love the people and the people absolutely believe in the party and the leader and loyally uphold them. Based on this genuine comradely relationship and on the blood relations which cannot be severed, the single-hearted unity between the leader, the party, and the masses has been consolidated and developed, and the popular masses' revolutionary zeal and creative might have been comprehensively and highly displayed.

Our party struggled in firm unity with the popular masses as one by depending on them. This is the very key to constant victories won by our party while vigorously pushing ahead with the revolution and construction under complex circumstances and amid arduous trials and by turning misfortune into blessings and adverse situations into favorable conditions.

Our party has firmly established chuche and held fast to the line of independence in leading the revolution and construction. Independence is an essential demand of mankind and the life of a nation and state.

The revolution and construction are to be carried out with the nation and state as a unit, and are the struggle to achieve the independence of the nation and state — the independence of the popular masses — against various types of domination and subordination.

The revolution and construction in each nation should be carried out independently and creatively with its party and people as the masters.

Only when the working-class party firmly establishes chuche and holds fast to the line of independence, can it safeguard the dignity of the nation and state, and guarantee their independent development. Thus, it can lead the popular masses' cause of independence to victory.

In view of the situation facing our nation and of the historic characteristics of our revolution, the issue of establishing chuche has been raised as a more earnest and more important problem for our party.

The great leader Comrade Kim Il-song highly upheld the banner of independence from the early days of revolutionary activities and pioneered the path of independent development of the Korean revolution. He put forward as an essential principle the issue of establishing chuche in the revolution and construction and of holding fast to independence, and led it to complete realization.

The line put forward by Comrade Kim Il-song pertaining to chuche in ideology; to independence in politics; to self-reliance in economy; and to self-defense in national defense, is the revolutionary line of independence consistent with the principle of chuche — the spirit of independence. Our party held fast to this line and carried it to accomplishment.

Our party resolved the problems raised in all fields of the revolution and construction according to its own idea and faith, taking full responsibility, and in the interest of the practical situation in our nation and of our revolution based on the principle of self-reliance.

Our party thoroughly opposed flunkeyism, doctrinism, and various ideas of relying on outside forces, and resolutely rejected pressure and interference by outside forces. Our party analyzed and evaluated everything only in the interest of the revolution, irrespective of existing theories and formulas, and advanced the Korean revolution by breaking through arduous and complex situations with its own strength according to its own faith and decisions.

Our party vigorously carried out the education of the party's policy; of revolutionary tradition, and of socialist patriotism, with the education of the chuche idea as its basis, among party members and working people. Thus, our party led them to firmly arm themselves with the revolutionary idea of their party and with the line and policy of their party, and to cherish lofty national pride. Our party led them to highly display the revolutionary spirit of self-reliance and revolutionary traits to live in our own way.

Our party and people held fast to their chuche position and line of independence so that they did not waver under the storm of opportunism, including modern revisionism, and could defend and exalt our socialism under the rigorous situation in which socialism collapsed in some countries.

By implementing the revolutionary line of independence, self- reliance and self-defense, our party and people consolidated our political and ideological might, powerful socialist economy, and invincible self-defensive military power. This serves as a reliable guarantee for us to defend the nation's sovereignty and revolutionary gains and to victoriously advance the revolution and construction, not tolerating the invasion and interference by the imperialist aggressors.

The reality showed that the imperialists' political and diplomatic pressure and ideological and cultural destruction maneuvers, as well as their economic blockade and military threats, could not infringe on our nation's sovereignty, and could not demolish and crush our socialism.

The independence of the nation and people is a basis of fair and international relations and independent foreign policy is a most fair and just principled external policy.

All nations and peoples, whether they are large or small and whether they are developed or underdeveloped, have independent and impartial rights as equal members of the international community. Only when all nations and peoples observe independence and mutually respect independence, can they develop fair and just international relations and build a truly independent, peaceful, and friendly new world.

Implementing the external policy based on the ideals of independence, peace, and friendship, our party and government developed friendly and cooperative relations with many countries of the world, solidified the country's international position, strengthened our party's international solidarity, and contributed actively to the cause of independence of the world.

The independent position and the line of independence our party has consistently maintained in the revolution and construction clearly demonstrated their justness and great vitality through practice. In leading the revolution and construction, our party resolutely maintained the revolutionary principles, and consistently implemented the revolutionary line and policy.

Consistently maintaining the revolutionary principles in carrying out the popular masses' cause of independence, the cause of socialism is an important matter connected with the destiny of the revolution. To abide by the revolutionary principles is to defend the fundamental interests of the revolution and to lead the revolution to victory without tilting, and moving away from the revolutionary principles is the way to abandon the fundamental interests of the revolution and to lead the revolution to defeat.

The history of the revolutionary movement shows that if one moves away one step from the revolutionary principles, it leads to moving away two steps, and if one moves away two steps, it results in moving away 10 steps and ultimately ends up in ruining the revolution.

Lacking in revolutionary principle and lacking in consistency in line and policy is the characteristic feature of all sorts of opportunism. The revolutionary principle in carrying out the socialist cause is ensured by the working-class party's loyalty to the socialist cause and by the party's will to carry out the socialist cause to the end.

The respected and beloved Comrade Kim Il-song was a great communist revolutionary who had boundless loyalty to, unshakable revolutionary faith in, and iron-willed revolutionary volition toward the popular masses' cause of independence, the socialist cause of chuche, and led our difficulty and trial-laden revolution to outright victory. At the same time, he was a genius of the revolution and construction.

Comrade Kim Il-song led our party and people with a brilliant example of leadership art with which he adhered to the revolutionary principles under any environment and condition and combined the principle and superbness most skillfully in the revolution and construction.

Always starting from the fundamental interests of the revolution, our party maintained the principle of independence, the working class-oriented principle, and socialist principle in the revolution and construction and consistently and thoroughly implemented the revolutionary line.

Our party accelerated the revolution and construction with continuous creation and innovation in conformity with the developing reality, and while coping actively and superbly with the rapidly changing situation, it did not move even one step away from the fundamental interests and fundamental principles of the revolution. At the same time, it firmly maintained the revolutionary principles and revolutionary line.

High creativity and superbness based on the revolutionary principles and the consistency in lines and policies—this is the important leadership principle and leadership art which our party has maintained in the revolution and construction and the characteristic feature of our party's revolutionary lines and policies.

Throughout the entire period of leading the revolution and construction, our party has never deviated from the revolutionary principles, or run about in confusion without principle, or committed a mistake as far as line is concerned.

Thanks to our party's revolutionary principle-mindedness and consistency in its lines and policies, our revolution has been able to victoriously advance along the single road of socialism without vicissitude or tilting under such a difficult condition, and our style-socialism centered on the popular masses was able to become our people's firm faith and take root deep in the people's lives.

Our people absolutely trust our party which has confidently led the revolution and construction, and entrusting their destiny entirely to the party, they are waging a vigorous struggle for the completion of the chuche revolution under the party's leadership.

The great achievements and valuable experiences our party has accomplished in party building, party activities, and the revolution and construction are the brilliant fruition of the respected and beloved leader Comrade

Kim Il-song's revolutionary ideology and revolutionary leadership, and they are the lasting assets of our revolution which should be defended, adhered to, inherited, and developed generation after generation.

Our revolution has been triumphant under our party's leadership, and it will victoriously advance and be brilliantly inherited and completed under our party's leadership in the future as well.

We still have a long way to go, and there are many difficulties and trials lying in the way of our revolution. No matter how far and rugged the road of our revolution, which the great leader Comrade Kim Il-song pioneered and led, may be, we must firmly tread along this way abiding by the Comrade Kim Il-song's behests.

This is our party's invariable faith and will. We should adhere and add further luster to our style- socialism centered on the popular masses provided by the respected and beloved Comrade Kim Il-song, and complete the chuche socialist cause to the end.

We should achieve the cause of fatherland reunification—the life-and-death demand of the entire nation—based on the principle of independence, peaceful reunification, and great national unity put forth by Comrade Kim Il-song.

Upholding the noble will of Comrade Kim Il-song, our party should strengthen the solidarity with the world's progressive people and actively struggle for mankind's cause of independence.

To inherit and complete Comrade Kim Il-song's sacred cause, the chuche revolutionary cause, from generation to generation, we should further strengthen our party—the organizer and guide of all the victories of our people.

We should uphold the respected and beloved Comrade Kim Il-song as an eternal leader of our party and revolution and strengthen and develop our party forever as the glorious Comrade Kim Il-song's party.

We should defend and adhere to Comrade Kim Il-song's great ideology, theory, revolutionary leadership method, and embody them thoroughly in party building and party activities.

We should carry out all the work in the revolution and construction as Comrade Kim Il-song planned, intended, and gave practical example for it himself, and carry out everything in Comrade Kim Il-song's style. This is the way to strengthen and develop our party to be Comrade Kim Il-song's party and to brilliantly inherit and complete the chuche revolutionary cause.

We should resolutely defend, adhere to, and thoroughly embody the great leader Comrade Kim Il-song's revolutionary ideology. Comrade Kim Il-song's revolutionary ideology, the chuche idea, is our party's only guiding ideology and the banner of victory of our party and revolution.

Apart from Comrade Kim Il-song's revolutionary ideology, we cannot mention Comrade Kim Il-song's party or think of the victory of the party's cause. Under the banner of modeling the entire party membership on the chuche idea, we should further intensify the indoctrination on the chuche idea so that the entire party may be filled with the only ideology, the chuche idea, so that the entire party membership may breathe and pulsate with the chuche idea.

We should bring up all the party members to be the chuche-type communist revolutionaries with a firm chuche revolutionary outlook on the world and ensure that they always think and act as demanded by the chuche idea.

We should adhere to the purity of the chuche idea and continuously deepen and develop the chuche idea. The discoloration in ideology leads to the discoloration of the party and leads the revolution and construction to ruin.

To adhere to the purity of the chuche idea is to adhere to our party's revolutionary characteristics and to adhere to the party's cause.

We must endlessly wage the struggle against infiltration of bourgeois reactionalism, revisionism, and various other opportunist ideas and make sure that even a small crack that may allow alien ideological trends to take root and grow inside us, does not emerge.

Adhering to the revolutionary essence and purity of the chuche idea, we should deepen and enrich the chuche idea in conformity with the demands of the development of the times and reality and further add luster to the greatness of the chuche idea.

Upholding the party's slogan "Let ideology, technology, and culture all be practiced as demanded by chuche," we should carry out all the work of the revolution and construction as demanded by the chuche idea.

We should thoroughly embody the chuche idea in party building, army building, economic construction, and cultural construction to further strengthen the country's political, economic, and military might, to effloresce and develop socialist national culture, and to comprehensively and highly display the superiority of our style-socialism centered on the popular masses.

As one would protect the pupil of one's own eye, we should protect and maintain our party's unity and cohesion provided by the great leader Comrade Kim Il-song and solidify them more firmly. The party rank's unity and cohesion are the party's life, and unity and cohesion are the strength of the party.

Our party's unity and cohesion are the purest and the most solid unity and cohesion based on the monolithic ideological system, and a guarantee for our party's invincible might. We should consistently keep up with the work of establishing the party's monolithic ideological system as the basic line of party building, and adhere to and further strengthen the unity and cohesion of our party which is firmly united in terms of ideology, volition, morality, and fidelity based on one ideology and one center.

All the cadres and party members should make their loyalty to the party their faith, conscience, morality, and life; and, uniting firmly in one mind and will, they should uphold the party's leadership.

We should oppose all sorts of unsound elements that spoil the party's unity and cohesion and thoroughly ensure the party rank's purity.

Our party's unity and cohesion have reached a high level, but we should never be self-conceited with it. The party's unity and cohesion can be maintained and solidified through continuous ideological indoctrination and ideological struggle. We should not tolerate even trivial elements, such as familyism, provincialism, and factionalism, which spoil and hamper the party's unity and cohesion but overcome them in a timely manner, and see to it that the spirit of unity and the ethos of unity prevail within the party at all times.

Thoroughly embodying the great leader Comrade Kim Il-song's idea of serving the people like heaven, we should further strengthen the ties of kinship between the party and the people and continuously solidify and develop wholehearted unity in the entire society.

Our party exists for the people, and makes it its duty to struggle for the people's independent demands and interests. To love the people, serve the people, and form wholehearted unity with the people is the nature and basic feature of Comrade Kim Il-song's party.

Our people are great revolutionary people who are brought up by the respected and beloved Comrade Kim Il-song and overcame the tempest of the revolution under the leadership of Comrade Kim Il- song. They are excellent people who have noble ideological and spiritual ethos under our party's politics of benevolence and our country's socialism.

Our party firmly believes in our people, who are boundlessly loyal to the party and the revolution, and overcomes all difficulties and trials based on our people's unequalled heroism and inexhaustible creativity.

Our people's absolute trust in and consistent support for our party are the source of our party's invincible might, and it is our party's great honor and pride to serve our people who are the most excellent.

We should thoroughly implement our party's consistent ideology and policy of loving the people, defending the popular masses' demands and interests, and struggling for the popular masses' independent and creative lives.

We should build our party even better to be a true motherly party which leads and looks after the people taking responsibility for their destiny. Enhancing the spirit of serving the people among the functionaries, we should make sure that the party's politics of benevolence is embodied more brilliantly.

We should ensure that all the functionaries become faithful servants of the people and defenders of the people's interests so that they can devote themselves to serving the people.

We should thoroughly implement the chongsan-ri spirit and the chongsan-ri method created by Comrade Kim Il-song and continuously uphold the party's slogan urging the entire party membership to go among the masses.

We should more firmly establish the revolutionary and people- oriented work ethos with which all the functionaries always go deep among the popular masses, share life, death, sorrow, and joy with the masses, teach the masses, learn from the masses, and carry out the revolutionary task arousing the masses' revolutionary enthusiasm and creative activity.

We should ensure that the functionaries thoroughly oppose and reject the misuse of power, bureaucracy, and corruption, have humble and simple traits, and establish thrifty and clean-handed life ethos.

We should ensure that the party trusts the people, that the people trust the party, that the party and the people struggle vigorously in firm unity, and that wholehearted unity is more firmly solidified in the entire society.

As we have overcome difficulties and advanced with the might of the wholehearted unity of the party and the people, so we should open the road of victory and glory with the might of wholehearted unity in the future as well.

Today, our party and people are on the road of a new historical march. Our party will faithfully inherit and develop the great leader Comrade Kim Il-song's ideology and achievements, and complete Comrade Kim Il-song's cause to the end from generation to generation. The WPK will shine forever as Comrade Kim Il-song's party.

KCNA Carries Kim Chong-il's Work on WPK

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["Comrade Kim Chong-il Publishes Work 'The Workers' Party of Korea Is the Party of the Great Leader Comrade Kim Il-song'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA) — The great leader Comrade Kim Chong-il published an immortal famous work "The Workers' Party of Korea [WPK] Is the Party of the Great Leader Comrade Kim Il-song" on October 2, 1995, on the occasion of the 50th anniversary of the Workers' Party of Korea.

The work reads in full:

Fifty years has elapsed since our party was founded.

Greeting the 50th anniversary of the foundation of the Workers' Party of Korea, and looking back with deep emotions upon the glorious road of struggle our party has traversed, scoring a historic victory and effecting the greatest change in many centuries by acclaiming respected Comrade Kim Il-song as its head and under his leadership, our party members and our people express the warm gratitude and pay the highest respect to the great leader Comrade Kim Il-song who founded and led the party.

Under Comrade Kim Il-song's wise leadership, the Workers' Party of Korea was established as a working-class party of a new type and has been developed into a trained and seasoned veteran revolutionary party, into an unconquerable party enjoying unqualified support and trust of the people, in the flames of struggle for half a century. Under his leadership, our party created a brilliant new history in the people's cause of independence, in the cause of socialism, and made great, imperishable achievements in this cause.

The history of the Workers' Party of Korea is precisely the history of respected Comrade Kim Il-song's great revolutionary activities. Both the thorny path of our party's struggle and its road of glorious victory are imprinted with his sacred footmarks. Both our party's great achievements and its unbreakable strength and high prestige are associated with his respectful name.

The Workers' Party of Korea belongs to the great leader Comrade Kim Il-song. It is his great name and exploits that have made our party's 50 years brilliant. His name and exploits will be immortal together with our party's history.

The Workers' Party of Korea is a glorious party which under the leadership of the great leader Comrade Kim Il-song has paved a new road of building a revolutionary party in the age of independence and set a shining example in this work. Regarding party building as a fundamental question in the revolution, Comrade Kim Il-song made strenuous efforts from the early years of his revolutionary activity to found the revolutionary party that would lead our revolution. With an unshakable belief that the popular masses are the motive force of the revolution, he waged the revolutionary struggle by organizing the masses. He also did the work of founding the party, laying its basis from among the grassroots, by going to the popular masses to train true communists from among them and forming grassroots party organizations.

The organizational and ideological bases on which to found our party were laid and consolidated in the crucible of the twenty-year- long arduous anti-Japanese revolutionary struggle under the leadership of Comrade Kim Il-song. The ranks of communist hard core were trained and toughened, true unity and cohesion of the revolutionary ranks centring around the leader were achieved, and the mass basis for the communist movement was solidly laid, through all manner of hardships in the do-or-die struggle.

In the course of organizing and leading the anti-Japanese revolutionary struggle to victory, Comrade Kim Il-song created the glorious revolutionary traditions, the lasting cornerstones of our party and revolution.

Thanks to the solid organizational and ideological bases for founding the party and the glorious revolutionary traditions, which were prepared during the anti-Japanese revolutionary struggle, our party was founded opportunely even in the complex circumstances after liberation and has been able to fulfil its mission successfully as the political general staff guiding the building of a new country ever since its foundation.

The establishment of the Workers' Party of Korea enabled our people to shape their destiny successfully under the guidance of their reliable vanguard, their fighting general staff. Its establishment unfolded a new history of the revolutionary party in the era of independence.

After founding the party in an original manner, the respected leader Comrade Kim Il-song gave wise leadership to the work of party building and developed it into a great revolutionary party.

The history of our party building is the history of brilliantly implementing the chuche idea and translating into reality the idea and theory of building the party on the basis of the chuche idea under Comrade Kim Il-song's leadership.

Our party is a chuche-type revolutionary party, which has been built and strengthened under the guidance of the chuche idea.

The guiding ideology of a party defines its character, its aim of struggle and the basic direction of its development and activities and decides its fighting efficiency and strength. The party which is guided by a great ideology can only be a great party.

It is the most brilliant achievement of the great leader Comrade Kim Il-song that he created the immortal chuche idea and thus showed the popular masses a correct way to shape their destiny independently and built a new revolutionary party guided by the chuche idea for the first time in the history of the communist movement.

The chuche idea is a new scientific world outlook which correctly reflects the popular masses' desire for independence and the requirements of the times. It is a great idea that has brought about a historic change in the development of the revolutionary idea of the working class. The chuche idea is the ideological and theoretical bases of our party building as well as the only guide to the revolution and construction. Our party has been guided consistently by the chuche idea in its building and activities. Therefore, it has become a powerful revolutionary party with the most durable basis, a great, authoritative party capable of leading the revolution and construction triumphantly. The building of our party is characterized basically by the fact that it has built itself and conducted its activities under the guidance of the chuche idea.

Based on the great chuche idea and the rich experiences in his leadership of the revolutionary struggle of different stages, Comrade Kim Il-song newly elucidated the fundamentals and basic principles of building a working-class party and the ways to materialize them, and fully systematized the chuche- orientated idea and theory of party building.

This idea and theory are, in a nutshell, the man-centred idea and theory of party building on the basis of the fundamental principles of the chuche idea. Solving all problems in party building and activity by centring on man and through work with people is the essence of this idea and theory. The solidity and strength of the party and all the success in party building depends on how the cadres and other members of the party are educated and bound together organizationally and ideologically and how the masses, the socio-political basis of the party, are rallied behind the party. Work with people is the basis of party building, the essence of party work and the mode of activity proper to the working-class party which regards its idea as a weapon. Only when it lays the primary emphasis on work with people, can the working-class party build up its ranks firmly, strengthen its mass foundation and lead the revolution and construction successfully.

The chuche-orientated idea and theory of party building shed fresh light on the fundamental principles of building the working- class party based on the principles of the driving force of revolution. The driving force of revolution is an integral whole of the leader, the party and the masses. Only under the guidance of the party and the leader can the masses of the people hold their position as the driving force of revolution and play their role satisfactorily. In the driving force of revolution, the leader is the top brain and the centre of unity, and the party is a political organization which materializes the leader's idea and guidance. Apart from the leader's idea and guidance, the party as a political leadership body is inconceivable; separated from the masses, the party cannot lead the revolution and construction to victory. Unbreakable unity of the leader, the party and the masses centring around the leader constitutes the solidest and most powerful revolutionary force as well as a great motive force of the revolution and construction. Therefore, the working-class party must be built up into the leader's party, the political organization which realizes the leader's idea and guidance, and must achieve inseparable unity with the masses. This is a basic requirement for the existence and development of the working-class party and a fundamental principle that must be constantly maintained and carried forward in party building. Comrade Kim Il-song's idea and theory on party building expound the absolutely scientific and revolutionary principles, basic rules and ways which the working-class party must implement thoroughly in its building and activity; therefore, they have become a powerful ideological and theoretical weapon with which to consolidate our party organizationally and ideologically, strengthen the unbreakable ties between the party and the masses and steadily enhance the leadership role of the party.

The great leader Comrade Kim Il-song built our party into a revolutionary party with a firmly established monolithic ideological system.

The monolithic ideological system of the party is the leader's ideological system and his leadership system. Establishing the monolithic ideological system is the basic way to build the party as the leader's party. Only when the monolith of ideology and leadership is ensured through the establishment of the leader's ideological system and his leadership system, is it possible to achieve the ideological unity and organizational cohesion of the party ranks and make the party play its role satisfactorily as a political leadership body. The working-class party must be an ideological purity and organizational integrity, the entire party being dyed in its leader's idea and moving as one under his unified leadership.

Our party's struggle to establish the monolithic ideological system has been a struggle to equip party members thoroughly with the leader's idea and unite them firmly behind the leader in ideology and purpose, and at the same time, a struggle to overcome the heterogeneous ideas and factional elements which conflict with the leader's idea and guidance and disturb unity and cohesion. Under the leadership of Comrade Kim Il-song, our party has steadily intensified ideological education to equip all the party members with the chuche idea, the revolutionary idea of the party, and conducted a powerful ideological struggle against flunkeyism, dogmatism, revisionism, factionalism and other unsound ideas as well as factional elements. As a result, it eradicated the factionalism which had greatly harmed our revolution through history and prevented modern revisionism and all other opportunist trends from infiltrating into our ranks. That our party overcame factionalism and flunkeyism in the Korean communist movement and prevented the infiltration of any opportunism including modern revisionism was the historic victory achieved in the struggle to ensure the unity and cohesion of the party ranks and its purity and establish the monolithic ideological system of the party.

Through the struggle to establish the monolithic ideological system, the unity and cohesion of our party developed into the unity of the entire party in ideology and purpose, reinforced by morality and loyalty, based on the leader's idea and centring on the leader. Today all our party members are armed solidly with the monolithic ideology of our party, the revolutionary idea of Comrade Kim Il-song; they know no other ideas but his revolutionary idea. They resolutely defend and carry out the lines and policies of the party cherishing loyalty to the party and the leader as their revolutionary faith and loyalty. That all party members are united rock-solid behind the leader based on one idea and faith, comradely love and revolutionary loyalty underlies the solidity and unbreakability of the unity and cohesion of our party.

The great leader Comrade Kim Il-song built our party into a militant party which has a strong sense of organization and discipline.

A sense of organization and discipline is the intrinsic requirement of the socialist, communist movement based on collectivism as well as the basic guarantee for the fighting efficiency of the revolutionary and militant party. The monolith of ideology and leadership is ensured by organization and discipline, and apart from them there can be no unity and cohesion. A working-class party without organization and discipline will not only be unable to lead the revolution, but will itself be reduced to a lethargic, nominal existence.

By correctly embodying the principle of democratic centralism in party building and its activity, Comrade Kim Il-song firmly established the monolithic system of leadership and a revolutionary and voluntary discipline within the party. For our party the principle of democratic centralism is its organizational principle whereby democracy is brought into full play on the basis of firmly establishing centralistic discipline. Centralism is revolutionary discipline and order according to which the entire party acts as one under the monolithic leadership of the leader. Without this neither the unity and cohesion of the party nor a concerted action can be ensured. Democracy means formulating the party's line and policy by incorporating the will of the party members and giving full play to their voluntary enthusiasm and creativity in the struggle to implement them. When centralistic discipline is weakened and unprincipled "democracy" is tolerated, disorder will be created in the party and it will be torn asunder. As a result of the correct application of the principle of democratic centralism in our party, the guidance of the leader is effected from the party centre down to the lowest echelon without a hitch and a revolutionary tone has been firmly established: All party organizations and party members accept the party's line and policy as their own and implement them to the letter by displaying a high degree of enthusiasm and creativity.

Enhancing the function and role of party organizations and intensifying the party life of the members is a major factor in improving organization and discipline in the party. By strengthening all its organizations and enhancing their function and role in every possible way, our party has ensured that they carry out their activity strictly in accordance with the party's organizational principle and the system of party work and always work vigorously full of vitality. At the same time, it has channeled great effort into intensifying the party life of its members. Party members are linked with the leader through the party organization and accept the leader's idea and guidance and breathe the breath of the party through party organizational and ideological life. Party life is a revolutionary school that arms party members with the leader's idea, tempers their party spirit and fosters the sense of organization and discipline. Apart from party life, the unity of the ideology and action of millions of party members is inconceivable. A well-organized system of party life and a revolutionary tone of party life have now been firmly established in our party; all party members belong to a particular party organization, regularly leading their party life in accordance with the unitary norms of party life and taking part in it of their own accord as the masters. As a result, the party life of the members has been put on a regular basis and become a part of their daily life, and the organization and discipline of the party have been strengthened markedly. Thus our party has become a most highly organized and disciplined party; all the party members breathe and act as one based on a high degree of awareness and consciousness; it fully displays its might as a militant organization.

The great leader Comrade Kim Il-song built our party into a mass party rooted among broad sections of the population.

A working-class party can be invincible only when it welds into a harmonious whole with the masses and enjoys active support of wide sections of the population. As a matter of principle, the demand of the working class represents the fundamental interest of the working masses, and the historic mission of the working class is to achieve the social emancipation not only of itself but of all the toiling people. Ours is an era of independence when the popular masses have emerged as the master of history, and the cause of the masses for independence can advance victoriously only through the energetic struggle of the working class and other broad strata of the people.

By correctly reflecting the fundamental interest of the working class and other toiling masses as well as the demand of the era of independence and proceeding from the specific situation in our country, respected Comrade Kim Il-song set the line of building a mass party of the working people comprising workers, peasants and working intellectuals and put it into effect with success. The flag of our party, which is inscribed with a hammer, sickle and brush is a graphic symbol of a revolutionary party in the era of independence, the first of its kind in history. It is the banner of unity and victory of the popular masses who are shaping their destiny independently.

In accordance with the line of building a mass party, our party enlisted into itself many progressive elements from among workers, peasants and working intellectuals and properly combined the quantitative growth and qualitative consolidation of the party ranks. Thus it continually expanded and strengthened itself while firmly maintaining its working-class and revolutionary character. Our party was built as a mass party and the mass line was fully implemented in its activity. As a result, it has strengthened and developed into a party that defends and represents the working masses' demand for independence and their interest, into a revolutionary pa of the working class rooted among the broad popu masses and inseparably united with them.

The validity and vitality of our party's line of buildi itself into a mass party were verified more clea as the building of socialism was developed in dep The process of building socialism is the process transforming all members of society on the pattern the working class, the process of assimilating all soci to the working class. The line of building a mass pa fully conforms to the law that governs the buildi of socialism. By implementing the line of building mass party, our party was able to maintain its workir class character and at the same time continually increa its ranks, strengthen its mass foundation and acceler the process of assimilating the whole of society to t working class.

The great leader Comrade Kim Il-song built our pa in a far-sighted way to carry on its cause down throu generations.

The cause of the popular masses for independence the cause of the leader, the cause of the party. is a historic cause that is carried on through ma generations. It is only when the working-class pa firmly carries forward the idea and guidance of t leader down through generations that it can invarial maintain its revolutionary character and appearar as a leading political organization and carry out honourable mission. If a party is to correctly ca forward the idea and guidance of the leader, it must fu ensure the continuity of its building. Otherwise, the l of the revolution discontinues and renegades from t revolution appear to ruin the cause of the leader, t cause of the party. This is a serious lesson of histor

Respected Comrade Kim Il-song not only founded t party and developed it to be an invincible one, but, w his extraordinary far-sightedness since a long time a laid a solid foundation for a brilliant continuation a accomplishment of the cause of the party. Looking i the distant future, Comrade Kim Il-song clarified way to be followed by our party and our revolut and laid the firm organizational and ideological base the party and established the leadership system for continuation and accomplishment of the revolution cause of chuche.

The idea and leadership of respected Comrade Kim song are unshakably inherited by our party. Today, a revolutionary party with high prestige and indestructi might, our party enjoys full support and trust from people and is confidently leading the revolution a construction.

The working-class party is the weapon for the revolution. The foundation of the party and its organizational and ideological strengthening are aimed at realizing the popular masses' cause of independence.

During the past 50 years since its foundation, our party has led the popular masses, winning a great victory in the revolution and construction and gaining valuable and rich experience.

Since national liberation through a bloody revolutionary war against the Japanese, our revolution has advanced through unprecedentedly complex situation and arduous struggle. The division of the country by foreign forces, the fatherland liberation war against the invasion of the allied forces of imperialism, the ceaseless manoeuvres for aggression and sabotage by imperialism, the turbulent international situation and the collapse of socialism in several countries, and the subsequent intensification of anti- socialist, anti-DPRK machinations by imperialists and reactionaries—in the face of these events, we carried out the two stages of social revolution successfully, reconstructed the country twice, and built the socialism centred on the masses and added lustre to our socialism while defending staunchly the sovereignty of the country and the achievements of the revolution. The revolution and construction have been promoted with vigour even in spite of the innumerable difficulties and hardships, bringing great changes in all lives of the country and people.

Our socialism defends and ensures the independence of the popular masses and satisfies their demand for independence to the full. All the members of society exercise equal rights to independence in the political, economic and cultural lives and enjoy valuable and worthwhile lives free from all manner of social unrest and worry about life. Our society is the most stable and durable society in which all the people are united singleheartedly around the party and leader and have formed a great harmonious family, and the whole society is overflowing with feelings of health and vivacity and revolutionary mettle. The communist morality of devoting oneself to society and the collective and helping and leading one another in a comradely way, now being displayed to a high degree among our people, demonstrates the advantages and might of the socialist system of our country and graphically shows the ennobling ideological and spiritual traits of our people.

Under the leadership of the party, our people have traversed the road of victory, braving the difficulties and obstacles in their way, and are working energetically for fresh victory full of confidence in and optimism for the future. Even in the present complicated situation our socialism is winning one victory after another without vacillation and our socialist motherland is demonstrating its dignity and honour far and wide.

The imperialists and reactionaries resorted to various machinations to check the advance of our party and people and stifle our socialism, but they failed in every attempt.

The practical experience of our revolution patently proves that the people who are united as one under the leadership of their great leader and the great party and fighting for their just cause are unconquerable and that the present age is a new, historic age, the age of independence, when the popular masses have emerged as the master of their destiny. Guided by our party, our people have paved a new path to accomplishing the masses' cause of independence, the path to genuine socialism, and built and developed socialism centred on the popular masses, thus dealing decisive blows at all manner of reactionary propaganda which vilifies socialism and confirming in practice the scientific and truthful nature of socialism and its advantages and invincibility.

For our party, which is entrusted with the responsibility for the destiny of the country and nation, national reunification has been the supreme national task since the first day of its founding. Our party has consistently followed the policy of national reunification, the policy based on the three principles of independence, peaceful reunification and great national unity. Reflecting the aspiration for reunification of the whole nation in the North, South and abroad, it put forward the most reasonable, fair and realistic proposal of reunifying the country through confederation and is striving for its implementation. It is also making every effort to realize the great unity of the nation under the banner of national reunification. Our party's policy of national reunification is truly patriotic and it enjoys unanimous support and approval of the whole nation. Thanks to the impeccable policy and consistent effort of our party for national reunification, the national aspiration for reunification has mounted higher as never before and the national unity of all compatriots in the North, South and abroad has become strengthened. The ever- increasing reunification force of our nation will defeat the divisive force at home and abroad and realize the cause of national reunification without fail.

Our party has led the popular masses' cause of independence to brilliant victory, performing great achievements, because it has applied chuche principles and methods of leadership in the evolution and construction in a thoroughgoing way.

In leading the revolution and construction, our party has always safeguarded the demands and interests of the popular masses, relied on them and fought by forming an integral whole with them.

That the popular masses are the master of the revolution and construction and they have the power to promote them is the fundamental principle of the revolution elucidated by the chuche idea. The policy which defends and realizes the demands and interests of the popular masses for independence is the most revolutionary and scientific, and relying on them and giving full play to their strength and wisdom is the basic demand of revolutionary leadership. If one believes in the people and relies on them, one will always emerge victorious; and if one gives wide berth to them and is forsaken by them, one will always fail—this is the concept of "The people are my god," the motto of respected Comrade Kim Il-song, and this has become the basic starting-point and supreme principle in all activities of our party.

Respected Comrade Kim Il-song was the great leader of the people and their father. His ideology, leadership and virtue were based on the love for and trust in the people and were run through with them. All his life he was among the people, shared joy and sorrow with them and devoted his all for them. He placed deep trust in the strength, wisdom and excellent qualities of our people and solved all problems by relying on them and by giving rein to their revolutionary zeal and creative force.

Our party has fully applied in all its activities the noble idea of Comrade Kim Il-song, "The people are my god," and his revolutionary method of leadership. It has always formulated its lines and policies by reflecting truthfully and incorporating the opinions and requirements of the popular masses, and implemented them by enlisting their efforts and resourcefulness. It has given definite priority to ideological work, the political work, of awakening the popular masses ideologically and rallying them organizationally over all other undertakings, and worked tirelessly to oppose abuse of authority and bureaucratism and establish revolutionary method and popular style of work among officials. It has become an iron rule in the activities of our party and in the work of our officials to go always among the people, breathe the same air with them, work devotedly for them and execute revolutionary tasks by relying on them under the party's slogan, "We serve the people." Our party is a motherly party which takes care of the destiny of the popular masses under its charge, and its politics is the politics of love for the people and trust in them, the benevolent politics.

On the basis of the genuine comradeship, the inseparable relationship, in which the party and leader trust and love the people and the people place unqualified trust in them and support them with loyalty, the single-hearted unity of the leader, party and masses has been strengthened and developed and the revolutionary enthusiasm and creative force of the popular masses have been fully displayed on a high plane. Relying on the popular masses and welding with them in the struggle—this is just the secret how our party has promoted the revolution and construction with vigour in such complicated circumstances and trying ordeals and won victory after victory by turning misfortune into a blessing and unfavourable conditions in favourable ones.

In leading the revolution and construction, our party has established chuche with all consistency and firmly adhered to the line of independence.

Independence is man's intrinsic desire and the lifeblood of a country and nation. The revolution and construction are conducted with a country and nation as a unit, and they are the very struggle against all manner of domination and subjugation and for the independence of the country and nation, the independence of the popular masses. The party and people of each country must become masters of the revolution and construction in their country and wage them independently and creatively. It is only when the working- class party establishes chuche firmly and strictly adheres to the line of independence that it can defend the dignity of the country and nation, ensure their independent development and lead the masses' cause of independence to victory. Owing to the circumstances our country was in and the historical characteristics of our revolution, establishing chuche was presented as an all the more pressing and important task to our party.

From the first days of his revolutionary activity the great leader Comrade Kim Il-song blazed the trail of independent development of the Korean revolution holding aloft the banner of independence, made it a fundamental principle to establish chuche and maintain independence in the revolution and construction and led the effort to implement it. The line of chuche in ideology, independence in politics, self-sufficiency in the economy and self- reliance in defence advanced by Comrade Kim Il-song is a revolutionary line of independence run through with the principle of chuche, the spirit of independence, and our party has staunchly safeguarded this line and implemented it to the letter.

Our party has solved all problems arising in the revolution and construction as dictated by its ideology and faith on its own responsibility and on the principle of self-reliance in our own way to suit our situation and the interests of our revolution. It has been opposed totally to the worship of big powers, dogmatism and all other ideas of relying on foreign forces and rejected categorically any pressure and interference from outside. Free from the established theories and formulas, it has analyzed and judged everything solely from the point of view of the interests of the revolution and hewed out the road of the complicated and arduous Korean revolution by its own effort as dictated by its faith and determination. By conducting energetically among its members and the working people the education in party policies, revolutionary traditions and socialist patriotism with the emphasis on the education in the chuche idea, it has imbued them with the revolutionary ideology, lines and policies of their party, instilled in them high national dignity and pride and given full play to their revolutionary spirit of self-reliance and the revolutionary tone of living our own way.

As they strictly adhered to the chuche stand and the line of independence, our party and people have not vacillated in the raging wind of opportunism including modern revisionism and, in the trying situation in which socialism collapsed in several countries, they have been able to defend and add lustre to our style of socialism. Our political and ideological strength, the powerful socialist independent economy and the unconquerable self-reliant military power our party and people have consolidated rock-solid by implementing the revolutionary line of independence, self- sufficiency and self-reliant defence, have become the sure guarantee for defending the sovereignty of the country and the achievements of the revolution, advancing the revolution and construction victoriously and thwarting any aggression and interference of imperialism and dominationism. The fact shows that the political and diplomatic pressure of imperialism, its attempts to disintegrate us ideologically and culturally, its economic blockade and military threat cannot infringe upon the sovereignty of our country nor can they demolish or suffocate our socialism.

The independence of a country and nation is the basis of fair international relations, and an independent foreign policy is the justest and principled foreign policy. All countries and nations, whether they are large or small, developed or less-developed, have the rights to independence and equality as equal members of the international society. When they all maintain independence and respect each other's independence, they can develop fair international relations and build a truly independent, peaceful and friendly new world. By following the foreign policy based on the ideals of independence, peace and friendship, our party and government have developed the relations of friendship and cooperation with many countries in the world, consolidated the country's international position, strengthened international solidarity with our revolution and rendered active contribution to the cause of global independence.

The chuche stand and independent line consistently maintained by our party in the revolution and construction have clearly demonstrated their correctness and great vitality in practice.

Our party has resolutely adhered to the revolutionary principle and invariably implemented the revolutionary line and policy in leading the revolution and construction.

Consistently adhering to the revolutionary principle in accomplishing the cause of the popular masses for independence, the socialist cause, is an important question affecting the destiny of the revolution. Maintaining the revolutionary principle means defending the fundamental interest of the revolution and leading it to victory without any deviation, whereas falling back from the revolutionary principle means betraying the fundamental interest of the revolution and leading it to failure. The history of the revolutionary movement shows that if one retreats one step from the revolutionary principle, one will withdraw two steps, and if this happens, one will go back ten steps, and will eventually make a mess of the revolution. Opportunism of all hues is characterized by lack of the revolutionary principle and inconsistency in the line and policy. The revolutionary principle in carrying out the socialist cause is guaranteed by the working-class party's loyalty to and faith in the socialist cause as well as by its will to carry this cause to completion.

Respected Comrade Kim Il-song was a great communist revolutionary and a genius of revolution and construction. He led our arduous and tortuous revolution along the straight road to victory with unfailing loyalty to the cause of the popular masses for independence, the socialist cause of chuche, with unshakable revolutionary faith and steel-like revolutionary will. Comrade Kim Il-song led our party and people by setting a brilliant example of the art of leadership. He defended the revolutionary principle under any circumstances and conditions and most skilfully combined the principle and adroitness in the revolution and construction.

Proceeding from the fundamental interest of the revolution, our party has always adhered to the principle of independence, the working-class principle and socialist principle in the revolution and construction, and thoroughly carried out the revolutionary line with consistency. Our party accelerated the revolution and construction with continuous creative efforts and innovation to meet the demands of the developing reality. While it dealt with the rapidly changing situation actively and shrewdly, it has never taken a single step back from the fundamental interest and principle of the revolution and firmly maintained the revolutionary principle and revolutionary line. Highly creative attitude and adroitness based on the revolutionary principle and consistency in its line and policy—these are the important principle and art of leadership our party adheres to in the revolution and construction as well as the characteristics of our party's revolutionary line and policy.

During the whole course of its leadership to the revolution and construction, our party has never deviated from the revolutionary principle, never allowed itself to be swayed to the right or left without principle and never made a mistake in its line. Thanks to our party's revolutionary principle and the consistency of its line and policy, our revolution has been able to advance victoriously along the road to socialism without any twists and deviations even in the extremely arduous conditions. And also our own style of socialism centred on the popular masses has become a firm conviction of our people and taken root deeper in the people's life. Our people repose unqualified trust in our party that has confidently led the revolution and construction, entrust their destiny entirely to it and are fighting indomitably to complete the revolutionary cause of chuche under the leadership of the party.

Our party's great exploits and precious experience in party building and its activity as well as in the revolution and construction are the brilliant fruition of the revolutionary idea and revolutionary leadership of the respected leader Comrade Kim Il- song. They are the eternal treasures of our revolution we must defend, inherit and develop down through generations.

Our revolution has emerged victorious under the leadership of our party and in the future, too, it will advance triumphantly and will be carried forward to brilliant completion under its leadership.

We still have a long way to go and our revolution is beset with many hardships and trials as ever. No matter how long and thorny the road ahead of our revolution pioneered and led by the great leader Comrade Kim Il-song might be, we must steadily follow this way in accordance with the behest of Comrade Kim Il-song. This is the unshakable faith and will of our party.

We must safeguard the people-centred socialism of our own style established by respected Comrade Kim Il-song, bring honor to it and complete the socialist cause of chuche. We must unfailingly achieve national reunification, the vital demand of the entire nation, on the principle of independence, peaceful reunification and great national unity set forth by Comrade Kim Il-song. Upholding the lofty will of Comrade Kim Il-song our party must strengthen solidarity with the progressive people of the world and work hard to realize the cause of independence for mankind.

In order to carry forward the sacred cause of Comrade Kim Il- song, the revolutionary cause of chuche, from generation to generation, we must further consolidate our party which organizes and guides all the victories of our people.

We must hold in high esteem beloved Comrade Kim Il-song as the eternal leader of our party and revolution and develop our party as the glorious party of Comrade Kim Il-song for ever.

We must defend his great idea, theories and revolutionary methods of leadership and thoroughly apply them in party building and activities. We must do all the work of revolution and construction as Comrade Kim Il-song planned, intended and showed personal examples in practice and conduct everything in such a way as Comrade Kim Il-song did. This is the way to develop our party as the party of Comrade Kim Il-song and the way to brilliantly inherit and complete the revolutionary cause of chuche.

We must resolutely safeguard the revolutionary idea of the great leader Comrade Kim Il-song and thoroughly put it into effect.

The revolutionary idea of Comrade Kim Il-song, the chuche idea, is the sole guiding ideology of our party and the banner of victory for our party and revolution. Apart from his revolutionary idea, it would be impossible to speak about the party of Comrade Kim Il-song or to think of the victory of the party's cause.

Holding high the banner of modelling the whole party on the chuche idea, we must further strengthen education in the chuche idea, so that the party is imbued with only one ideology, the chuche idea, and make the whole party breathe in, and pulsate with, the chuche idea. We must train all party members to be communist revolutionaries of the chuche type who are firmly equipped with the chuche-oriented revolutionary outlook on the world and to think and act at all times as demanded by the chuche idea.

We must defend the purity of the chuche idea and ceaselessly develop it in depth. Degeneration of ideology brings about degeneration of the party; it leads the revolution and construction to ruin. Adherence to the purity of the chuche idea means keeping our party's revolutionary character and defending the party's cause. We must ceaselessly fight against the infiltration of bourgeois reactionary idea, revisionism and all other hues of ideological trend of opportunism so as to prevent the heterogeneous ideological trends from getting even a little chance of gaining ground and growing in our ranks. While defending the revolutionary essence and purity on the chuche idea, we must develop and enrich the chuche idea as required by the times and the developing reality and add lustre to its greatness.

True to the party's slogan, "Let us meet the requirements of chuche in ideology, technology and culture!" We must deal with all work of revolution and construction as required by the chuche idea. We must thoroughly implement the chuche idea in building the party, the army, the economy and culture, to further strengthen the political, economic and military power of the country, bring about development and flowering of socialist national culture and fully display the advantages of our own style of socialism centred on the popular masses.

We must defend like the apples of our eyes the unity and solidarity of our party effected by the great leader Comrade Kim Il- song and cement it more solidly.

The unity and cohesion of the party ranks immediately means its lifeblood and strength. Our party unity and cohesion is the purest and most durable unity and cohesion based on the monolithic ideological system and a guarantee for the indestructible might of our party.

We must consistently hold fast to the work of establishing the party's monolithic ideological system as the basic line of party building and defend and strengthen further the unity and cohesion of our party which is firmly united in ideology and will as well as in morality and loyalty based on one ideology and one centre. All the cadres and party members must make loyalty to the party their faith, conscience, morality and the creed of their lives and follow the party's leadership firmly united in one mind and will.

We must oppose all kinds of unsound elements detrimental to the party' unity and cohesion and ensure the purity of the party ranks. Our party's unity and cohesion has reached a high level, but we must not rest content. The unity and cohesion of the party can be maintained and consolidated only through constant ideological education and ideological struggle. We must not tolerate nepotism, parochialism, factionalism and other slightest elements which undermine and hamper the party's unity and cohesion and must overcome them promptly so that the party is always permeated with the spirit of unity, the atmosphere of unity.

We must thoroughly put into effect the great leader Comrade Kim Il-song' idea, "The people are my god", so as to further cement the inseparable ties between the party and the people and ceaselessly strengthen and develop the single-hearted unity of the whole society.

Our party exists for the people and regards it as its duty to fight to meet the people's desire for independence and their interests. Taking loving care of the people, serving them and forming a harmonious whole with them — these are the intrinsic nature and basic characteristics of the party of Comrade Kim Il- song.

Our people are a great revolutionary people who were brought up by respected Comrade Kim Il-song and braved the tempest of the revolution under his leadership; they are an excellent people equipped with noble ideological and mental traits under our party's benevolent politics and the socialist system of our country. Our party strongly believes in our people who are boundlessly loyal to the party and revolution; it overcomes all difficulties and hardships by relying on their unrivalled heroism and unquenchable creative force. Our people's unquestioned trust in and unanimous support for our party are a source of invincible strength of our party; serving the most excellent people of ours is a great honour and pride of our party.

We must thoroughly implement the consistent idea and policy of our party which takes loving care of the people, champions their demands and interests and fights for their independent and creative life. We must build more effectively our party as a genuine motherly party which leads and takes care of the destiny of the people on its own responsibility, and must enhance the spirit of service for the people among officials so that they put the benevolent politics of the party into practice more efficiently. We must ensure that all the officials serve the people devotedly as their servants and the champions of their interests.

We must fully implement the Chongsan-ri spirit and Chongsan-ri method created by Comrade Kim Il-song and hold high as ever the party's slogan, "Let the whole party go among the masses!" All the officials must acquire more firmly the revolutionary and popular style of work; they should always go deep among the masses, share weal and woe with them, teach and learn from them and execute the revolutionary tasks by giving rein to their revolutionary enthusiasm and creative zeal. We must resolutely oppose and reject abuse of power, bureaucracy, irregularity and corruption among officials and ensure that they acquire modest and unceremonious traits and establish a frugal and upright way of life.

The party must believe in the people and the people in the party, striving vigorously as one and further consolidating the single- hearted unity of the whole society. As we have advanced, braving difficulties on the strength of the single-hearted unity of the party and the people, so we must, in the future, too, pave the way of victory and glory by relying on the might of single-hearted unity.

Today our party and people have embarked on the road of new historic advance. Our party will inherit and develop faithfully the idea and achievements of the great leader Comrade Kim Il-song and accomplish his cause down through generations.

The Workers' Party of Korea will shine for ever as the party of Comrade Kim Il-song.

Kim Chong-il Visits Mansudae Arts Studio

SK0610005095 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 5 Oct 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, posed for a commemorative picture with the writers and composers of the Mansudae Arts Studio.

Comrade Kim Chong-il, the great leader of our party and people, posed for a commemorative picture with the writers and composers of the Mansudae Arts Studio on 5 October.

As Comrade Kim Chong-il arrived at the film studio, the functionaries, writers, and composers of the Mansudae Arts Studio warmly welcomed him by loudly shouting, "hurrah."

He was accompanied by Comrade Kim Ki-nam, member of the Workers Party of Korea [WPK] Central Committee and secretary of the party Central Committee, and other relevant functionaries.

Comrade Kim Chong-il highly praised the writers and composers of the Mansudae Arts Studio who greatly contributed to opening the golden age of the arts by producing a large number of painting works that reflected the vigor spirit of the WPK era in the past, while upholding the party's literary policy, as well as who devoted their all to outstandingly building the party founding monument as a great monumental creation by particularly making Kumsusan District the best holy place of chuche, thus posing for a commemorative picture with them.

With the best glory, all participants expressed deep gratitude for the great leader Comrade Kim Chong-il, who personally posed for a commemorative picture by giving great political trust and consideration to them. Also, they are full of firm conviction to endlessly consummate the chuche revolutionary cause, as well as to devote their body and spirit to the holy work to make my country and my fatherland more prosperous and strong.

More on Visit

SK0610044195 Pyongyang KCNA in English 0426 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The great leader Comrade Kim Chong-il had a picture taken with artists of the Mansudae Art Studio on Thursday.

When Comrade Kim Chong-il arrived, the officials and artists of the studio warmly welcomed him, raising stormy cheers of "hurrah excl."

He was accompanied by Kim Ki-nam, member and secretary of the Central Committee of the Workers' Party of Korea, and officials concerned.

Comrade Kim Chong-il highly appreciated the artists for their great contribution to making the greatest success in fine arts by creating many works reflecting stamina of the age of Workers' Party in the past, and particularly, to their distinguished contribution to building the Kumsusan area into the supreme holy place of chuche and constructing the Monument to Party Foundation as a monumental edifice, in hearty response to the party's policy of literature and art, and posed for a photograph with them.

Kim Chong-il Visits Party Founding Monument

SK0510233995 Pyongyang Korean Central Broadcasting Network in Korean 2103 GMT 5 Oct 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, visited the party founding monument, which has been completed.

Comrade Kim Chong-il, the great leader of our party and people, visited the party founding monument on 5 October on the occasion of the 50th anniversary of the founding of the Workers Party of Korea [WPK]. He was accompanied by Comrade Kim Ki-nam, member of the WPK Central Committee and secretary of the party Central Committee, and other relevant functionaries.

The party founding monument — which has been built on the center of Munsu Street in Pyongyang, the capital of the revolution on the occasion of the 50th anniversary of the founding of the glorious WPK — is another monumental architecture in the era of the WPK which was built according to our party's grand plan to eternally glorify the immortal revolutionary achievements of the great leader [suryong], who devoted his whole life to founding, strengthening, and developing our party.

The party founding monument consists of a tower which is made up of a hammer, a sickle, and a writing-brush that symbolize workers, farmers, and intellectuals who are elements of our party; a round- shape string which symbolizes the single-hearted unity of the leader [suryong], the party, and the masses; and a stylobate [kidan], which symbolizes the history of our party which has developed based on the masses. Therefore, this is the monument of the times which is an outstanding combination of the creativeness of construction and the harmony of the architectural arts.

While touring the party founding monument which has been grandly built, Comrade Kim Chong-il expressed great satisfaction for the builders — including our heroic working class — who outstandingly completed the grand monumental creation that will be handed down to all ages to come, along with the era of the WPK, while making efforts for the construction with boundless loyalty to the party. Also, he highly praised their feat.

Comrade Kim Chong-il stated that the completion of the great creation like the party founding monument is the great pride of our party, saying: This is the monument that can be built only by our party and people who have firm faith and indomitable will to endlessly consummate the revolutionary cause of the leader, who founded the party.

Comrade Kim Chong-il stated that the party founding monument — a symbol of the glorious WPK — will show the dignity and honor of the Kim Il-song nation to the whole world and will be eternally glorified in the history of the fatherland.

Comrade Kim Chong-il stated that the party founding monument is very significant for party members and working people to inform them of our party's glorious and brilliant history, presenting the tasks arising in actively carrying out the indoctrination work through the monument.

Kim Chong-il Inspects Party Foundation Monument

SK0610043495 Pyongyang KCNA in English 0423 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The great leader Comrade Kim Chong-il Thursday inspected the Monument to Party Foundation, which was completed on the threshold of the 50th anniversary of the WPK [Workers Party of Korea].

He was accompanied by officials concerned, including Kim Ki-nam, member and secretary of the WPK Central Committee.

The monument was built in the middle of Munsu Street in Pyongyang on the occasion of the 50th anniversary of the WPK. It is another monumental edifice of the Workers' Party age which has made its appearance under the far-reaching plan of the WPK to exalt for ever the imperishable revolutionary exploits of the great leader President Kim Il-song, who devoted his whole life to the foundation of the WPK and its strengthening and development.

It is a monument of the time with its unique construction and architectural harmony closely combined. It consists of towers of hammer, sickle and brush symbolic of the workers, peasants and intellectuals, the components of the WPK; a circular belt symbolic of the singlehearted unity of the leader, the party and the masses; and the pedestal symbolic of the history of the WPK with the down- with-imperialism union as its root.

Comrade Kim Chong-il inspected the imposing monument and expressed deep satisfaction with the grand monumental edifice, which was successfully completed by the heroic workers and other builders through hard work with intense loyalty to the WPK. He highly appreciated their feats in building the monument, which will be handed down for ever along with the Workers' Party age.

He said the construction of such a great edifice as the Monument to Party Foundation is a great pride of the Korean people. He added that this monument can be built only by the WPK and the Korean people with the firm faith and indomitable will to accomplish the revolutionary cause of the leader, who founded the party.

The monument, a symbol of the glorious wpk, will shine long in the annals of the country, demonstrating the dignity and honour of the Kim Il-song nation all over the world, he said.

The monument is of great importance in informing the party members and other working people of the glorious history of the WPK, he said, and taught officials how to actively educate people through the monument.

Kim Chong-il Sends Gifts to Songwriter

SK0610053795 Pyongyang KCNA in English 0448 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — The great leader Comrade Kim Chong-il sent gifts to writer Song Chan-ung and composer Song Kwang-nim at the Mansudae Art Troupe who wonderfully created the song "Let us hold high the red flag."

They successfully created the song of struggle, the song of faith, a monumental famous music, which all the people of the country, who have risen like a mountain, following Comrade Kim Chong-il true to the behests of the great leader President Kim Il-song, will sing in their onward march.

At the gift-conveying ceremony held on October 4, decree of the Central People's Committee of the Democratic People's Republic of Korea was read out, and the "Kim Il-song Prize" and the title of merited artist were awarded to composer Song Kwang-nim and the "Kim Il-song Prize" to writer Song Chan-ung, and gifts from Comrade Kim Chong-il were conveyed.

Comrade Kim Chong-il also sent gifts to the entire members and officials of the speed campaign youth shock-brigade who are carrying out brilliant exploits in the socialist construction.

Foreigners Send Floral Baskets to Statue

SK0610003795 Pyongyang KCNA in English 1553 GMT 5 Oct 95

[Names as received]

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA) — Floral baskets sent by President of the Power Resources Ltd. Jaidul Kabir, president of the Amco Trading Ltd. Abdus Samad, president of the East Coast Ltd. Azam J. Chowdhury, president of the International Liner Agencies Ltd. Shekh Nuruddin and president of the Adex Ltd. Azam of Bangladesh on the occasion of the 50th anniversary of the Workers' Party of Korea were laid before the statue of the great leader President Kim Il-song on Mansu Hill on Wednesday.

Written on the ribbons of the floral baskets were the letters "His Excellency the Great Leader Kim Il-song Will Be Immortal".

Publishing House Issues Kim Il-song's Works

SK0610054795 Pyongyang KCNA in English 0444 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — Vol. 13 of the "Complete Collection of Kim Il-song's Works", an encyclopedia of the chuche idea, which edited works of the great leader President Kim Il-song in chronological order, was published by the Workers' Party of Korea [WPK] Publishing House a few days ago.

The collection carries 98 famous works such as highly important speeches, concluding remarks, talks, orders and instructions President Kim Il-song made from January to June [words indistinct] when he was leading to victory the fierce fatherland liberation war to defend the freedom and independence of the fatherland and the gains of revolution.

The works all roundly consummate ideas and theories, unique strategy, tactics and policies put forward by President Kim Il-song, a great military strategist and ever-victorious, iron-willed brilliant commander, to organize and mobilize all the people and the servicemen of the People' Army in the heroic struggle for final victory in the war in keeping with the prevailing military and political situation and the requirements of modern war, and the precious achievements and experiences in the struggle to realise them.

Elucidated in the works "Address to the People Throughout the Country on the Occasion of the New Year 1951," "We Must Fight With Our Own Tactics" and "Let Us Keep the Unit Perfectly Ready and Alert" are inevitability of victory in the war and the policy of applying the chuche oriented war tactics including mountain warfare, night actions and the activities of aircraft-hunting teams and anti- tank teams. Also given in the works are the policy of bringing into play intensive loyalty and ardent patriotism for the party and the fatherland and unparalleled mass heroism among soldiers, the policy of making all soldiers well versed in their weapons and combat activities, skillfully ensuring cooperative operations between arms and services and establishing iron disciplines within the army and the strategic and tactical lines for the final victory in the war.

The works "On Making Full Preparations for Postwar Reconstruction", "On Mapping Out the Master Plan for the Postwar Reconstruction of Pyongyang" contain the vital tasks and ways set forth by President Kim Il-song in the rigorous wartime to vigorously push ahead with the preparations for reconstruction, maturing the grandiose plans for postwar reconstruction, looking far into the victorious future of the fatherland.

Also consummated in the complete collection are the question on strengthening the militant unity and international solidarity with the world's progressive people supporting the just struggle of the Korean people and the outstanding ideas and theories, strategic and tactical lines giving answers to theoretical and practical matters arising in accelerating the final victory in the great fatherland liberation war.

Floral Basket Laid Before Kim Il-song's Statue

SK0510160995 Pyongyang KCNA in English 1551 GMT 5 Oct 95

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA) — Participants in the national seminar commemorating the 50th anniversary of the Workers' Party of Korea [WPK] laid a floral basket and bouquets of flowers before the statue of the great leader President Kim Il-song on Mansu Hill on Wednesday and made bows.

They hardened their determination to actively contribute to making their country, their motherland more prosperous under the leadership of respected Comrade Kim Chong-il, holding the respected leader President Kim Il-song, the founder of the WPK and the father of socialist Korea, in high esteem as the sun of chuche for all ages.

Daily Highlights Kim Chong-il's Work on WPK

SK0610103895 Pyongyang KCNA in English
1011 GMT 6 Oct 95

["Militant Banner Which Makes it Possible To Honor WPK as Eternal Party of Comrade Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — NODONG SINMUN today carries an editorial on the work "The Workers' Party of Korea [WPK] Is the Party of the Great Leader Comrade Kim Il-song" published by the great leader Comrade Kim Chong-il on October 2, 1995.

The editorial says that the work is run through with the main spirit to strengthen and develop the WPK into the glorious party of Comrade Kim Il-song forever and accomplish the revolutionary cause of chuche started in the forest of Mt. Paektu by defending and adding lustre to his ideology and exploits through generations to come.

His ideology and exploits are treasures of eternal value and the eternal lifeline of the WPK and the Korean revolution, it stresses, and says:

The work is filled with the unshakable determination and iron will of the great leader Comrade Kim Chong-il to vigorously advance along the road of chuche so as to carry out the behest of Comrade Kim Il-song to the last though the road ahead of the Korean revolution pioneered and led by Comrade Kim Il-song may be very long and rugged. So it greatly encourages our people to a new victory in dynamically advancing under the leadership of the party, holding Comrade Kim Il-song in high esteem as the sun of chuche and the eternal leader for all ages.

This monumental work of Comrade Kim Chong-il reflects the requirement of the WPK and the developing revolution, which have entered into a historical period of new turn, the editorial notes, and goes on:

The work shows that the determination of our party and people to advance the revolution and construction as intended by Comrade Kim Il-song in his lifetime is and will remain unchanged for ever. That is why the work has greatly been stiring up the hearts of our people determined to hold him in high esteem for ever and become an inspiring banner encouraging them to fresh struggle and feats.

Pointing out the weighty theoretical and practical significance of the work, the editorial says:

The work is, above all, a valuable document which proudly reviewed the glorious history and immortal feat the WPK has covered and made under the leadership of President Kim Il-song.

It is also a library of party building in the present era which makes it possible to build the working-class party into a powerful party leading the people's cause of independence to victory. And it is a highly important guideline which clearly shows the road of strengthening and developing the WPK into the party of the great leader Comrade Kim Il-song for ever.

With the publication of this work, the great leader Comrade Kim Chong-il showed once again, through his noble example, what position and attitude a leader of revolution should take to remain invariably loyal to the founder and leader of the party. The precious revolutionary heritage left by Comrade Kim Il-song will be defended and exalted for ever under the leadership of Comrade Kim Chong-il.

National Exhibits Mark WPK Founding

Fine Arts Exhibit Held

SK0610104295 Pyongyang KCNA in English
1014 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — A national fine art exhibition was opened to celebrate the 50th anniversary of the Workers' Party of Korea [WPK].

On display at the exhibition hall are more than 400 pieces of art works portraying in various forms the glorious and brilliant revolutionary history of the great leader President Kim Il-song, the founder of the WPK and the pioneer of the revolutionary cause of chuche, and of the great leader Comrade Kim Chong-il and their great virtues, and the efforts of the Korean people to accomplish the revolutionary cause of chuche under the leadership of the party.

Exhibited at the hall are pictures of the anti-Japanese revolutionary fighters and the persons related to the anti-Japanese revolutionary struggle, whom President Kim Il-song recollected in his reminiscences "With the Century", calligraphic works from the General Association of Korean Residents in Japan (Chongnyon), and other fine art works and handiworks.

Chang Chol, vice-premier of the Administration Council and minister of culture and art, addressed the opening ceremony held here on Wednesday.

Photo Exhibit Held

SK0610104895 Pyongyang KCNA in English 1017 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — A national photo exhibition was opened to celebrate the 50th anniversary of the Workers' Party of Korea [WPK].

Put on display at the exhibition are more than 180 items of photoes showing the victorious, glorious and proud history of the WPK founded by the great leader President Kim Il-song and led by the great leader Comrade Kim Chong-il and photoes showing the singlehearted unity of the Korean people rallied firm behind Comrade Kim Chong-il.

Photoes of the fatherly leader President Kim Il-song and respected General Kim Chong-il conducting energetic, tireless activities to realize national reunification and the cause of global independence were also on show.

An opening ceremony of the exhibition took place here on Wednesday.

Chang Chol, vice-premier of the Administration Council and minister of culture and art, addressed the ceremony.

A national art photo exhibition was opened on the same day to celebrate the 50th WPK anniversary.

Armed Forces Symposium Marks WPK Founding

SK0610110595 Pyongyang KCNA in English 1020 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — A symposium of the Ministry of the People's Armed Forces to commemorate the 50th anniversary of the Workers' Party of Korea [WPK] was held here on October 4.

The speakers explained that the WPK founded by the great leader President Kim Il-song and led by the great leader Comrade Kim Chong- il has performed the immortal feats, which will shine for all ages in the annals of the country, by leading the Korean revolution to victory and set worldwide examples in building working-class Revolutionary Armed Forces by bringing up the People's Army to be a chuche-type army of the revolutionary party.

They said that the road ahead of the WPK advancing under the leadership of respected Comrade Kim Chong-il, a great man rare in the world, is bright and will be ever victorious in the future, too.

They stressed that all the men and officers of the Army should get united around respected Supreme Commander Comrade Kim Chong-il with absolute worship for him, resolutely defend him at the risk of their lives and creditably guarantee the party's cause with arms.

Choe Tae-pok Speaks at Seminar on WPK Founding

SK0610060195 Pyongyang KCNA in English 0522 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — A national seminar was held here on October 5 to celebrate the 50th anniversary of the Workers' Party of Korea [WPK].

Present at the seminar were Yi Chong-ok, Politburo member of the Central Committee of the Workers' Party of Korea and vice-president, and senior party and government officials, officials of the WPK Central Committee, senior officials of national state organs and party, ower and adminstrative and conomic institutes in Pyongyang, and officials of party cadres training institutes, science, the press, culture and art and officials of the domain of revolutionary history.

Also present there was a delegation of social scientists of the General Association of Korean Residents in Japan headed by Pak Yong- kon, chairman of the Association of Korean Social Scientists in Japan.

Choe Tae-pok, alternate Politburo member and secretary of the WPK Central Committee, made the report "The Workers' Party of Korea Is a Great, Revolutionary Working-Class Party in the Era of Independence, Which Leads Chuche Revolution to Victory".

Kim Chol-myong, editor-in-chief of NODONG SINMUN; Yi Chang-hwa, first deputy director of Kim Il-song higher party school; Choe Chang-kol, secretary of the South Pyongan Provincial Committee of the Workers' Party of Korea; Yang Kyong-pok, president of the Workers' Party of Korea Publishing House; Prof. and Dr. Pak Kwan-o, president of Kim Il-song University; U Pyong-yol director of the political department of Kim Il-song University of Politics; and candidate academician, Prof. and Dr. Kim Chol-sik, first vice- president of the Academy of Social Sciences; took the floor.

The speakers explained and proved the greatness and invincible potentials of the glorious Workers' Party of Korea, which was founded by the great leader President Kim Il-song and has been led by the great leader Comrade Kim Chong-il.

They said that the chuche-based theories of party building are an imperishable great programme of building a revolutionary party in the era of independence and that the WPK has grown in strength as an invincible revolutionary party which has advanced on the strength of single-hearted unity and the most dignified party, tested and seasmned in leading the cause of independence of the popular msses to a shining victory.

They went on to say that the WPK has been the party of the leader, a mother party which assumes full responsibility for the destinies of the people and that the question of inheriting the cause of party building was solved with credit.

They added that the firm monolithic leadership system of Comrade Kim Chong-il should be established in the whole party and the whole army and among the people, and called for upholding the guidance of respected General Kim Chong-il with the single heart of loyalty and filial piety.

Revolutionary Monument Unveiled in Onsong County

SK0610110795 Pyongyang KCNA in English 1024 GMT 6 Oct 95

[FBIS Transcribed Text] Pyongyang, October 6 (KCNA) — A revolutionary monument "Shine, the Immortal Trace on River Tuman" was built in Namyang, Onsong County, North Hamgyong Province on the threshold of the 50th anniversary of the Workers' Party of Korea.

Namyang is a significant place associated with immortal revolutionary activities of the great leader President Kim Il-song, an indomitable communist revolutionary fighter Comrade Kim Chong-suk and the great leader Comrade Kim Chong-il.

President Kim Il-song visited the place on the first leg of his advance into the fatherland during the anti-Japanese revolutionary struggle and went to the place on several occasions after the liberation to show the orientation and ways for the improvement of the people's standard of living, powerfully arousing them to the building of a new country.

Soon after the liberation, Comrade Kim Chong-suk went to Namyang to render active assistance to the work of the great leader President Kim Il-song, who was paying big energies to carrying out the nation-building cause.

Comrade Kim Chong-il went to the place on several occasions and wisely led the party work and other sectors.

A ceremony for unveiling the monument was held on October 3.

Electricity Production To Mark WPK Founding

SK0610065295 Pyongyang Korean Central Broadcasting Network in Korean 0430 GMT 4 Oct 95

[Unattributed talk: "Let Us Greet the Great October Festival With Successes in Increasing Electricity Production"]

[FBIS Translated Text] With the approach of 10 October, the 50th anniversary of the founding of the party which will record a brilliant chapter in the history of our party, electricity producers at hydroelectric power plants in various regions have risen to produce more electricity. As a result, hydroelectric power plants in the power industry sector across the country have remarkably increased electricity production.

Comrade Kim Hyong-mi, a responsible functionary of the Committee of Power Industry, says:

[Begin Kim Hyong-mi recording] The party founding anniversary is drawing near. So, functionaries and electric power producers, in particular, under the Committee of Power Industry are further accelerating electric power production with high revolutionary zeal to greet the upcoming great October festival with a brilliant labor success. Entering October all power plants across the country are more vigorously accelerating to produce more electric power. So, they are accelerating electric power production in earnest with the mettle of having overfulfilled September's electric power production quota.

We can say that success in electricity production depends greatly on how hard functionaries and electric power producers work to use the mighty electricity generation capabilities already available in the country. Therefore, all electricity producers across the country are now working harder than ever before.

Cherishing in their hearts the iron-like faith that what the party decides we will do, functionaries and electric power producers are accelerating electricity production with the firm faith of significantly greeting the 50th anniversary of the founding of the party with successes in electricity production. [end recording]

Hydroelectric power plants throughout the country are recording a new miracle in electricity production by filling water in all reservoirs full to the brim and by ensuring a high-level and high- efficiency operation.

In particular, the working class at hydroelectric power plants across the country, including Taedonggang hydroelectric power plant complex, Iwon hydroelectric power plant, and 17 March hydroelectric power complex, who fulfilled their September electric power production quotas one week ahead of schedule, is waging a vigorous struggle and producing more electricity daily this month, than in the early part of the previous month, having set a higher electric power production target.

Such success is an expression of the loyalty of the working class in these hydroelectric power plants to significantly greet the 50th anniversary of the founding of the party with a proud labor success.

The great leader Comrade Kim Chong-il has indicated that we should increase electric power production to the maximum by effectively using available generating capabilities and, at the same time, build more new hydroelectric power plants and thermoelectric power plants.

Functionaries and the working class in hydroelectric power plants across the country — who have unanimously risen up with their fervent desire to send more electric power to the sites of socialist construction where the flames of implementing the party's economic strategy are more furiously burning than ever before on the threshold of the 50th anniversary of the founding of the party — are vigorously waging the struggle to produce more electric power with the same quantity of water by ensuring a high-level and high- efficiency operation.

Hydroelectric power plants across the country have regularized electric power production at a high level by assiduously carrying out dam and lock readjustment before the rainy season, by increasing intermediate flood control gates more than last year and, thus, by securing more water in all reservoirs. These efforts have already proven their worth in October. Taedonggang hydroelectric power plant complex, Iwon Hydroelectric power plant, 17 March hydroelectric power plant complex, and Changjingang hydroelectric power plant have taken the initiative in electricity production.

The working class at these plants has filled water in all reservoirs full to the brim by properly carrying out the management of waterways and hydroelectric generation structures and operating all generating facilities at full capacity. As a result, these hydroelectric power plants have produced 1.2 times more electricity each day over the same period of the previous month.

Another success registered by hydroelectric power plants across the country on the threshold of the 50th anniversary of the founding of the party, which is a great festival of victors, is the fact that they are producing more electricity with the same quantity of water by managing the generation facilities in conformity with scientific and technological demands and by vigorously waging a struggle to enhance the efficiency of [word indistinct] to the maximum.

The working class at Changjingang power plant, Changjagang power plant, and Hochongang power plant have set the example in this struggle.

The working class at Changjingang power plant, cherishing the fatherly leader's benevolence of having personally visited their plants on many occasions to bestow great love upon them, are managing the generation facilities in conformity with the scientific and technological demands while vigorously waging a technological innovation movement. As a result, the working class at Changjingang power plant was not only able to open a breakthrough in electricity production by remodeling transformers, but also introduced many of the successes attained from technological innovation in electric power production so that these successes proved their worth.

The working class at Hochongang power plant, cherishing their single desire to uphold with loyalty the great leader Comrade Kim Chong-il with electricity production, is fulfilling its daily electricity production quota by 105 percent or more on the average these days by actively introducing rational suggestions on technological innovation in such generating facilities as generators and watermills.

Various hydroelectric power plants, including Pujongang power plant, Kanggye youth power plant, and Supung power plant, are vigorously waging a technological innovation movement to effectively utilize water. On the strength of this movement, the plant is regularizing electric power production at a high level these days.

Cherishing the firm faith that what the party decides we will do, functionaries of the power industry sector go down to the seething electricity production sites at hydroelectric power plants across the country to vigorously wage political work among electricity producers and to further inspire their zeal. They are also tackling problems with foresight and solving them in advance. In this way, they are carrying out on-the-spot organization and command for electricity production, outstandingly and militantly, in conformity with the real situation. As a result, electricity production is being regularized at a high level in October, as it was in September.

Functionaries and the working class at hydroelectric power plants under the Committee of Power Industry are making continuous innovations and a continuing march toward the site of the great October festival with higher electricity production goals. Greater success will be achieved in electricity production on the strength of the surging zeal of the working class at hydroelectric power plants across the country that have risen to the struggle for electricity production with infinite loyalty to the party, the leader [suryong], the fatherland, and the people.

Sunchon Floodgate Power Station Increases Output

SK0610083095 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 3 Oct 95

[FBIS Translated Text] Electricity producers of the Sunchon Floodgate Power Station are continuing to increase production with the spirit of having overfulfilled its September target.

During the period of carrying out its target, electricity producers here completed the general overhaul of the generator five days before the targeted date and maintained a high and steady rate of production by highly manifesting the revolutionary spirit of self-reliance.

The members of the generator work team actively accepted the advanced operation method in accordance with the condition of the enhanced water level, thus, achieving high results daily in electricity production.

Currently, in October, they are vigorously carrying out the struggle to send more electricity to various sectors of the people's economy.

South Korea

Russian Vow on Weapons Only 'Conditional'

SK0610065795 Seoul CHUNGANG ILBO in Korean 5 Oct 95 p 2

[By An Song-kyu from Moscow]

[FBIS Translated Text] It has been learned that contrary to what is generally thought, Russia's policy to completely suspend weapons sales to North Korea — a policy reportedly agreed between the two countries when President Kim Yong-sam visited Moscow in June 1994 — is conditional, the agreement being that "Russia will not sell weapons to North Korea as long as the ROK considers purchasing weapons from Russia."

While staying in Moscow, President Kim Yong-sam held a joint news conference with President Boris Yeltsin and stated that "Russia agreed that it would completely suspend the supply and sale of weapon parts to North Korea." During the news conference with reporters residing in Russia and in an interview with reporters on an airplane on his way back home, President Kim even stated that "President Yeltsin promised that Russia would not sell weapons to North Korea in the future, either." However, it has been disclosed that actually President Yeltsin did not make a commitment to President Kim Yong-sam that Russia would completely suspend weapons sales to North Korea.

In an operational report on the inspection of the ROK Embassy in Moscow by the National Assembly Foreign and Unification Committee inspection team — the inspection team is headed by Yi Se-ki, a Democratic Liberal Party lawmaker — ROK ambassador to Russia Kim Sok-kyu on 4 October said: "Actually, there has not been a transaction between the DPRK and Russia for even defensive weapons."

North Opens 'Customs House' at PRC Border

SK0610065695 Seoul CHOSON ILBO in Korean 6 Oct 95 p 2

[By reporter O Tae-chin from Yanji]

[FBIS Translated Text] In step with developing the Najin-Sonbong special economic zone, North Korea opened a customs house at its border with Hunchun, China on 5 September, to lure ROK tourists in this region. A tourist official of China's Yanbian Korean Autonomous Prefecture revealed: "Recently there were negotiations with North Korea on attracting ROK tourists to the Najin-Sonbong region. In this connection, a customs house was opened at the border between Hunchun and Najin-Sonbong, which had previously been used only as an official business channel for trade."

This official also said: "The reason North Korea selected the Hunchun-Sonbong route as a channel to lure ROK tourists, stems from the judgment that it is easy to block contacts with the general public."

Direct South-North Sea Route Formally Opens

SK0610104695 Seoul YONHAP in English 1026 GMT 6 Oct 95

[FBIS Transcribed Text] Pusan, Oct. 6 (YONHAP) — A direct South-North container sea route linking Pusan and Najin was formally opened Friday afternoon when a container vessel set sail here for Najin.

An official at the Pusan Maritime and Port Administration said 1,042-ton "Yanlong No. 4" left Pusan's pier No. 4 carrying 11 containers at 7 PM Friday.

The items being shipped by the Chinese-registry vessel to the North include machines, electric goods, petroleum raw materials and foods, he said.

The container vessel is expected to reach Najin on Oct. 8 and will return to Pusan on Oct. 11 after unloading the 11 containers which would take about 40 hours.

The vessel was originally set to leave Pusan Wednesday afternoon but the sailing was postponed due to the failure to obtain a departure permit from the National Unification Ministry.

Red Cross To Donate $50,000 for Flood Victims

SK0610104195 Seoul YONHAP in English
1023 GMT 6 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 6 (YONHAP) — The Korean National Red Cross (KNRC) plans to donate the first batch of flood assistance to North Korea shortly through the International Federation of Red Cross and Red Crescent (IFCR).

A KNRC official said Friday an inquiry through an IFCR representative in Pyongyang indicated that the North Korean Red Cross is willing to accept KNRC aid through IFCR.

Last month the KNRC, through radio broadcasting, asked the North Korean Red Cross to let it know how to deliver flood relief goods to the North. The request had gone unanswered, however.

The official said that the KNRC would provide the assistance around Oct. 20 in cash instead of in goods like blankets as earlier planned.

The first-batch donation, he said, will comprise 50,000 dollars in KNRC assistance and the cash donations the Red Cross received from various sectors in the South.

The cash contributions totaled 56,552,000 won (roughly 73,000 dollars) as of Oct. 2, he said, adding that a lion's share, 40 million won, came from the Catholic Seoul Diocese. The secretariat of Won Buddhism put up 10 million won.

The KNRC will continue receiving flood aid for provision to the North through the IFCR as long as the IFCR acts as a go-between in the delivery of flood aids to North Korea, the official said.

Lucky Goldstar To Assemble TV Sets With North

SK0610094295 Seoul TONG-A ILBO in Korean
6 Oct 95 p 1

[FBIS Translated Text] Processing-on-commission trade between South and North Korea, which has been conducted mainly in the field of clothing and needlework so far, is going to be expanded. Soon, TV sets will be assembled in North Korea for the first time ever.

Yi Hon-cho, representative of Lucky-Goldstar [LG] Electronics, announced on 5 October that his company recently agreed with North Korea to assemble 8,000 color TV sets at a plant near Pyongyang, North Korea, before the end of this year and increase its production capacity to produce some 100,000 color TV sets a year beginning in 1996.

An LG Group economic cooperation survey team visited North Korea early this year and reached an agreement
with North Korea to assemble color TV sets there w
parts sent by LG Electronics by using existing facilit
in North Korea.

An LG Group official said: "We conducted performan
tests of 20 color TV sets, which were assembled
North Korea and arrived in the South in June, and
results of the tests show that they are fairly marketal
in the country." LG Electronics will put its tradema
"Gold Star" on those color TV sets to be assembl
in North Korea and sell all of them in the domes
market. LG Electronics will submit an application to
National Unification Ministry sometime this month
get permission to send color TV parts to North Kore

The LG Group official also said: "Non-governme
level and processing-on-commission trade betwe
South and North Korea are active, unlike the te
atmosphere prevailing in government-level negotiatio
on the rice issue and on the provision of light-water
actors." The official continued, saying: "The agreem
on assembling color TV sets in North Korea serv
an important turning point for expanding process-
commission trade between South and North Korea
the electronic field." Early in August, LG Electron
received permission from the National Unificati
Ministry to bring color TV testers to North Korea.

Parliamentary Inspection Views North Missiles

SK0610030495 Seoul HANGUK ILBO in Korean
5 Oct 95 p 2

[Report by Sin Hyo-sop and Yu Song-sik]

[FBIS Translated Excerpt] On 4 October, the Natio
Assembly continued parliamentary inspection of
government by each of 13 standing committees. Duri
inspection of the Navy Headquarters by the Natio
Defense Committee, Admiral An Pyong-tae, chief
naval operations, said that "North Korea has recen
developed a new type of ground-to-sea missile wit
range of 180 kilometers, and successfully test fired
missile several times, thus constantly increasing surpr
landing and long-range attack capabilities."

Admiral An revealed that "this year the ROK Na
organized a submarine corps and a marine technologi
information group. Also, it is planning to reinforce
air battle corps through introduction of the P-3C (a
submarine patrol airplane)." Regarding the ROK Nav
manpower, Admiral An stated that "the Navy will
2,500 enlisted men from its ranks in a phased man
by the year 2000, and the additional funds availa
after these cuts will be used to reinforce the officer
non-commissioned officer ranks." General Yi Sang-
Marine Corps commandant, reported that "the Mar

Corps will develop a plan to attack the northern area of Pyongyang in an emergency and will intensify training for actual war according to this plan."

Admiral Song Kun-ho, assistant chief of staff for personnel at Navy Headquarters, said that "with a view to resolving the shortage of navy officers and to scouting professional manpower, the Navy is reviewing a plan to expand the Reserve Officers Training Corps [ROTC] to marine-related departments in ordinary colleges from the current system of scouting officers only from the Marine College and Fishing Industry College, and will submit this plan to the Ministry of National Defense."

Prior to this, Assemblyman Yim Pok-chin (National Congress for New Politics) asserted that "the Navy worked out a plan to purchase 12 high-speed landing boats in 1983, and took over a prototype boat from Korea Tacoma in 1989. However, the Navy has suspended this project. As a result, 7.2 billion won for the purchase of prototype boats has been wasted." [passage omitted]

North UN Mission To Visit U.S. for Talks

SK0610091195 Seoul YONHAP in English 0652 GMT 6 Oct 95

[FBIS Transcribed Text] Washington, Oct. 6 (YONHAP) — North Korea's United Nations mission is scheduled to arrive in Washington Friday for a two-day visit with the United States Institute of Peace (USIP) to discuss the situation on the Korean peninsula.

USIP President Richard Solomon will meet with North Korea's UN Minister Han Song-yol and Secretary Hyon Hak-pong. Specific items on the agenda of the meetings, which were described by USIP officials as "unofficial," were not disclosed but they are expected to discuss ways to establish peace on the Korean peninsula as well as plans for mutual exchanges between the USIP and a similar North Korean research institute for peace and disarmament.

A Washington source denied that the visit is related to current United States-North Korea negotiations on establishing liaison offices in their capitals.

Senior Officials To Attend APEC Meetings

SK0610091395 Seoul YONHAP in English 0641 GMT 6 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 6 (YONHAP) — Deputy Foreign Minister for Policy Planning Pan Ki-mun Monday will lead a South Korean delegation to the senior officials meeting to be held in Tokyo to prepare for the seventh ministerial meeting of the Asia- Pacific Economic Cooperation (APEC) slated for Nov. 16-18 in Osaka, Japan, a Foreign Ministry spokesman said Friday.

The Senior Officials Meeting (SOM) will discuss ways to implement the Bogor, Indonesia, declaration adopted by APEC leaders last year which liberalizes trade and investment in the Asia-Pacific region toward 2020, the spokesman said.

During the Tokyo SOM, senior officials from APEC member countries are expected to reach an agreement on the conclusion of an action agenda for the liberalization of trade and investment among APEC members, he said.

Among pending issues at previous SOMs is how to apply the comprehensive liberalization policy to such sensitive areas as rice and textile trade which South Korea, Japan and China insist should be given special treatment in consideration of the strategic and other political factors those products influence in their countries.

Deputy Foreign Minister for Economic Affairs Son Chun-yong, meanwhile, will attend the APEC Committee on Trade and Investment (CTI) meeting which will open in Tokyo for two days on Saturday.

Agreement Reached With PRC on Nuclear Energy

SK0610030295 Seoul HANGUK ILBO in Korean 5 Oct 95 p 2

[FBIS Translated Text] On 4 October, Chong Kun-mo, minister of science and technology, held a third meeting of the ROK-PRC Science and Technology Joint Committee in Beijing, China with Song Jian, member of the PRC State Council and minister of the State Science and Technology Commission. At the meeting, the two sides agreed to establish the "ROK-PRC Nuclear Energy Joint Committee."

The joint committee will be headed by vice minister-level officials from the two nations as senior delegates, and experts in nuclear energy from both countries will meet and select cooperative projects that the two nations will jointly push ahead in nuclear energy-related fields.

The two nations also agreed to push ahead with joint research on underground natural resources development, on life science and on basic science.

Economic Partnership Meeting With Japan Ends

SK0610032595 Seoul YONHAP in English 0836 GMT 5 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP) — South Korea and Japan Thursday agreed to expedite efforts to raise 20 billion won to establish a foundation that will train Korean engineers in Japan, a Foreign Ministry spokesman said.

During the second and last day of the New Initiative for Economic Partnership (NIEP) meeting held in Seoul, Japan agreed to send a delegation of Japanese businessmen to Seoul next March to discuss expanding investment in Korea and to conduct a survey of possible areas suitable for joint ventures with Korean firms, according to Kim Yong-so, director of the ministry's International Trade Division I.

During the talks, headed by Deputy Foreign Minister for Economic Affairs Son Chun-yong on the Korean side, South Korea urged Japan to make substantial efforts to reduce the South's trade deficit with the island nation while the Japanese side encouraged Seoul to improve its competitiveness to achieve medium and long-term economic goals by inviting more investment from Japan and developing South Korea's parts industry.

The two sides shared the view that their trade relationship is developing into one that resembles trade relations shared by advanced countries, as South Korea exports semiconductors, machinery and other high-tech products to Japan, although the South Korea still records huge trade deficits with Japan, Kim added.

To redress the issue, Japan agreed to make efforts to enhance technical cooperation with South Korea on the civilian level in a variety of high-tech industries, Kim announced.

The Japanese side also agreed to allow imports of about 1 million U.S dollars worth of Korean laver until March next year, Kim noted, adding that exports of South Korean laver to Japan were suspended in 1977 because of poor harvests in South Korea and pressure by Japanese laver producers.

South Korea demanded that Japan lower tariffs on Korean chestnuts to less than 10 percent from the current 16 percent, according to Kim. South Korea last year exported 130 million dollars worth of chestnuts to Japan.

On South Korea's request that Japan significantly increase the export quota it levies on South Korean seafood from the current 40 million dollars per year, which has been frozen since 1983, the Japanese side reacted negatively, saying that the South is the only country to which the Japanese Government allocates the quota with any preferential treatment.

Japan meanwhile asked South Korea to lift its regulations on diversification of countries where South Korea imports products which aims to discourage imports from Japan, Kim said.

South Korea, however, responded that it will have to maintain the regulations for now in order to reduce its chronic trade deficit with Japan.

Vice Foreign Minister Meets Chilean Counterpart

SK0510153195 Seoul YONHAP in English 0753 GMT 5 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP) — Vice Foreign Minister Yi Si-yong on Thursday met with his Chilean counterpart Mariano Fernandez to discuss enhancing bilateral trade and investment, a Foreign Ministry spokesman said.

Fernandez arrived in Seoul Wednesday at the invitation of Yi.

The Chilean vice foreign minister will meet with the several of the country's business leaders and visit industrial facilities before departing the country Saturday.

Polish Trade Delegation Arrives in Seoul

SK0610031495 Seoul THE KOREA HERALD in English 6 Oct 95 p 8

[All names as published]

[FBIS Transcribed Text] A Polish delegation, led by Tadeusz Soroka, undersecretary of state in the Ministry of Industries & Trade, came to Seoul yesterday to seek ways of promoting bilateral economic cooperation between South Korea and Poland.

Among the delegates are Ryszard Pazura, undersecretary of state in the Ministry of Finance and Jan Monkiewicz, undersecretary of state in the Council of Ministers, a spokesman at the Embassy of Poland in Seoul said yesterday.

While staying in Seoul, the Polish delegation is also scheduled to meet with leaders of major Korean enterprises, including Daewoo Corp.

Supreme Court Rejects Premier's Reform Call

SK0610010695 Seoul YONHAP in English 1221 GMT 5 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP) — The Supreme Court on Thursday reacted furiously to Prime Minister Yi Hong-ku's remarks made earlier in the day on the need of a law school system.

In a statement released by Court Secretary-General Choe Chong-yong, the Supreme Court said it was shocked at Premier Yi's remarks which it said stemmed from his ignorance of the existing judicial officials training system and also from his disregard of the reformative intent and efforts the court has hitherto showed and made.

The premier reportedly said that the Supreme Court should agree to the creation of a national law school system instead of sticking to the existing judicial research and training institute.

Yi called the training institute "an old-fashioned training course" and said that since the Supreme Court is in "the position that there is no need of judicial reforms," judicial reforms could be made only when there is "clear-cut support for reforms from public opinions."

The court's statement said that Yi's remarks manifests his scheme to push through his idea on the strength of "public pressure" instead of working out institutional reforms through negotiations with relevant authorities.

The court went on to say that the premier's attitude of trying to distort the position of the court and to press ahead with his idea one-sidedly is an act that holds the judicial branch in contempt.

Prime Minister Yi said a national law school system would be materialized anyway in the end as the administration plans despite court objection.

It was learned that Premier Yi and Court Secretary-General Choe would meet Friday afternoon on the law education system.

Premier Clarifies Reports

SK0610011495 Seoul YONHAP in English 1231 GMT 5 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP) — Prime Minister Yi Hong-ku on Thursday afternoon telephoned Chief Justice Yun Kwan in connection with the press reports that he urged the court to accept the idea of a law school system, clarifying that the reports on his remarks were "not factual."

An official at the office of the prime minister said that in the telephone call, Yi offered a regret to the chief justice for the "unexpected stir and misunderstanding" caused by his remarks on judicial reforms.

Yi: Reform To Come

SK0610064095 Seoul YONHAP in English 0621 GMT 6 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 6 (YONHAP) — Prime Minister Yi Hong-ku said Friday that he expects judicial reforms will come one way or another in due course, as not only the people but also present and future law school students desire the changes.

"The issue of reforming the judiciary is being discussed by the Law School System Committee and I think the discussion will lead to a conclusion with the good advice of related agencies," he told reporters.

Considerable progress has been made in the discussions on a judicial reform plan, not only in the judiciary but also in the administration, especially in the Globalization Promotion Committee, as the issue of how to reform the law school system, a matter of keen public concern, is being discussed by the Law School System Committee with representatives from the courts and the administration participating.

"I can say the discussions by the Law School System Committee will soon reach their concluding phase," he explained.

Asked about his remarks Thursday in which he virtually said the law court does not want reform, the prime minister replied, "I regret the unnecessary remarks on judicial reforms I made at an inappropriate place because the remarks have led to public controversies and misunderstanding.

"I think I must apologize for the remarks about the Supreme Court which were rude," he added, suggesting that he hopes an early settlement of the discord between the administration and the judiciary over the issue of reforms can be reached.

There is no difference of opinion regarding what areas lawyers should receive training, the discussions focus on how and under what school system they should be trained, he explained.

"I expect the discussions will be concluded soon," he added.

President Kim Yong-sam Visits New NSP Office

SK0610033495 Seoul YONHAP in English 0239 GMT 6 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 6 (YONHAP) — President Kim Yong-sam on Friday morning made his first visit to the Agency for National Security Planning (NSP) since it moved to a new complex in Naegok-tong, southern Seoul, late last month.

After being briefed by Director Kwon Hae-yong on the new facility, the chief executive exhorted the NSP to step up its efforts to further improve the intelligence service for national security, making the move to the new complex, equipped with state- of-the-art telecommunication and information systems, an important turning point in its development.

He noted that the fast gathering and accurate evaluation of information are vital tools needed to ensure national security.

After the briefing session, Kim toured the three-building complex with a total floor space of about 180,000 square meters and unveiled a stone monument, inscribed in his own handwriting, with four Chinese characters which translate to "protect the nation and serve the people." He also planted a pine tree to mark his visit to the new facility.

Chief Presidential Secretary on DLP Nominees

SK0610005295 Seoul YONHAP in English 1032 GMT 5 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP) — Chief Presidential Secretary Han Sung-su said Thursday the government does not mull revamping its trade-related offices.

"What is important is to operate the existing setups effectively," Han said. "We don't consider creating a new trade office like the office of trade representative."

In a weekly press conference at Chongwadae, Han said he believes the recent auto negotiations with the United States were successful as a whole.

He then asked the Foreign and International Trade-Industry Ministries to be careful lest they should be seen at odds, stressing that there shouldn't be inter-ministry frictions over negotiations with a foreign country.

Touching on domestic issues, Han said he understands the ruling Democratic Liberal Party (DLP) will nominate candidates for the upcoming general elections with emphasis on generational switch and the feasibility of getting elected.

Asked if the DLP would include in its nominees those who served the previous regimes, Han said there won't be any particular need to weed out such people.

Most Seoulites Want Mayor To Remain in DP

SK0510141595 Seoul YONHAP in English 0054 GMT 5 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP) — The majority of Seoul citizens want Mayor Cho Sun to remain with the minor opposition Democratic Party (DP) rather than bolt to another, according to the findings of a poll conducted Sept. 29 by Seoul Research, an opinion survey organization.

Asked what they thought about mayor Cho's remarks in which he said, "I won't engage in any political activities during my tenure," 200 citizens, 37.5 percent of the 535 pollees, replied, "It is best that he remain with the Democratic Party," while 150 people, 28.0 percent, responded that it would be better for him to leave the DP.

In particular, 41.3 percent of the pollees who voted for Cho in the June 27 local elections said they felt he should stay with the Democratic Party.

The 150 people who replied that Cho should leave the DP were then asked, "What options do you think Mayor Cho should take if he does bolt from the party?" Ninety-six people, 64 percent of the total, answered, "He should remain an independent," while 21.3 percent said, "He should join the National Congress for New Politics," 12 percent responded, "I don't know," and 2.7 percent stated, "He should go to a third party."

Asked if they think Mayor Cho will keep his word about refraining from political activity, 355 people, 66.4 percent, of those polled gave affirmative responses, while 9.9 percent thought he would eventually join the National Congress for New Politics, 19.3 percent said, "I don't know," while 2.6 percent predicted, "He will bolt from the Democratic Party," and 1.9 percent said, "He will go to a third party."

Kim Tae-chung Seeks Uncovering Truth on Kwangju

SK0510151795 Seoul YONHAP in English 0136 GMT 5 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP) — Kim Tae-chung, president of the main opposition National Congress for New Politics (NCNP), reaffirmed his will Thursday to uncover the truth about the bloody suppression of the May 18 Kwangju democratization movement in 1980.

Kim noted while meeting with reporters, "The current regular session of the National Assembly must enact the May 18 special law as well as introduce the special prosecutor system."

The NCNP submitted three special bills, including the "May 18 Special Law," to the National Assembly late last month in an effort to reveal the truth about the May 18 incident and to grant authorities the right to indict those involved in the bloody suppression regardless of the statutes of limitations.

"Although I think what really happened on May 18 should be disclosed, I do not want those involved in the suppression to be punished," he explained.

The NCNP will cooperate with other opposition parties to work out unified May 18-related bills and pass them at the current session of the National Assembly, he added.

Ex-President Allegedly Received Kickbacks

SK0610092495 Seoul YONHAP in English
0759 GMT 6 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 6 (YONHAP) — Former President Chon Tu-hwan is suspected of having raised funds totaling 185 billion won in kickbacks from the construction of the 88 Olympic Expressway project early in his presidency, a lawmaker from the National Congress for New Politics (NCNP) alleged Friday.

Rep. Choe Chae-sung made the assertion Friday at a parliamentary inspection of the Korea Highway Corp.

Former President Chon ordered the construction of the expressway from Kwangju to Taegu just three days after he became president on Sept. 1, 1980, when eight builders donated the Olympic Highway to the government, the legislator explained.

The lawmaker continued that it is very likely, therefore, that the government's budget for the net construction cost of 185 billion won, except for land compensation funds, was secretly diverted to Chongwadae [presidential offices].

As evidence of his allegation, the lawmaker pointed out that a legislative meeting of the now-defunct special committee for national security measures secured a budget of 226 billion won as continuing business expenditures in December, 1980, when even feasibility studies and the design of the Olympic Expressway had not been completed, and since most of country's paving projects at the time had been carried out using foreign credit from such international organs as the International Bank for Reconstruction and Development (IBRD), due to the country's financial difficulties, except for the expressway which had been built with entirely domestic capital.

Every construction firm established monuments with inscriptions that read "donated," after they completed the road, but later the expression was no longer used and eventually all the monuments were replaced with new ones, Rep. Choe pointed out, adding that those facts indicate the construction companies received payment only on paper, suspecting that the money was instead delivered directly to Chon, the NCNP lawmaker alleged.

In addition, it supports the theory that the expressway adopted cement paving methods, although domestic construction companies then did not have such technology or equipment and that Chon's relative Yi Kwang-kyu lobbied for the consumption of cement, Rep. Choe asserted.

Figures for North, South Military Provided

SK0510020495 Seoul THE KOREA HERALD
in English 3 Oct 95 p 3

[FBIS Transcribed Text] North Korea continues to expand military armaments despite its stagnant economy, increasing its troops by some 10,000 to 1.04 million this year, according to the Defense White Paper released yesterday.

North Korea this year created one army corps and added to its arms 100 armored vehicles, 50 field artillery, 10 support vessels and 20 support aircraft, said the Defense White Paper released by the Defense Ministry. South Korea has 655,000 troops.

Pyongyang is able to produce 100 Scud missiles a year, and continues developing long-range missiles, called Taepodong 1 and 2 with a range of over 1,000 km. The missiles, which can load nuclear or chemical warheads, could hit all the targets in South Korea and thus pose a great threat to peace and stability in Northeast Asia, said the white paper.

The paper said there are eight military factories in the North producing chemical weapons, as well as huge stockpiles of various toxic gases.

Frog-7 rockets and 240 mm multiple rockets, with a range of 70 km, can hit the capital area of the South.

In 1994, North Korea began to produce AT-40 (TOW-style) antitank missiles, and deployed 170 mm self-propelled artillery and 240 mm multiple rocket launchers near the border area. Over 52 percent of its artillery is self-propelled, said the white paper.

The North has enhanced antiair capability with the production and deployment of SA-16 portable antiair missiles, it said.

Particularly, North Korea has 130 high-speed air-cushion amphibious vehicles, which can infiltrate North Korean special troops to the shore of the South. It is also developing surface-to- ship missiles by upgrading Silkworm missiles, said the white paper.

The paper said Pyongyang has also procured Russian-made MI- 26 helicopters and is pushing assembly-production of Russia's MiG-29 fighters.

North Korea is believed to possess weapons-grade plutonium, but it has not yet succeeded in producing a nuclear bomb, it said.

Though its economy is in such a crisis that it has to ask for rice aid to several countries, including the South, North Korea continues to strengthen its military buildup and its war preparedness, analyzed the white paper.

The defense white paper made clear that South Korea's main enemy is North Korea, saying the North poses the most serious threat to the security of the South and peace in Northeast Asia.

Military Capability of South and North Korea

Classification			S.Korea	N.Korea
Troops		Army	540,000	910,000
		Navy	60,000	46,000
		Air Force	55,000	84,000
	Total		655,000	1,040,000
Ground Force				
Unit		Corps	11	19
		Divisions	50	53
		Brigades	21	99
Equipment		Tanks	2,050	3,800
		Armored vehicles	2,200	2,500
		Field artillery	4,650	10,850
Naval Force				
		Force Combatants	180	434
		Support vessels	60	330
		Submarines	2	26
Air Force				
		Tactical aircraft	520	850
		Support aircraft	160	500
		Helicopters	630	290

Antiair Gun, 'Night-Vision Device' Developed

SK0610024795 Seoul THE KOREA HERALD in English 6 Oct 95 p 3

[FBIS Transcribed Text] The Agency for Defense Development (ADD) has succeeded in developing an advanced 40-mm naval antiair gun and has already started its mass-production for the Navy battleships, the ADD chief said yesterday.

Pae Mun-han, director general of the state-run arms research and development institute in Taejon, said the domestically developed naval gun executes "top-class performance" and will begin to be installed on Navy warships in 1997.

The antiair gun has been designed and produced with domestic technology, Pae said. But he did not say how many of the guns will be produced for the Navy.

Pae made the remarks while answering questions from lawmakers on the National Assembly Defense Committee during the committee's annual inspection of the ADD.

Pae said that the ADD has also developed an advanced night-vision device which can recognize objects several kilometers away in total darkness. It can be applied to various civilian purposes, he said.

He said the ADD will seek technology cooperation with European nations to beef up international joint research. Pae also said his agency will "actively" introduce defense technology from Russia.

Shipbuilding Orders Increase 39.2 Percent

SK0610024495 Seoul THE KOREA TIMES in English 6 Oct 95 p 8

[FBIS Transcribed Text] The order for ships has sharply increased. Domestic shipbuilders received orders for ships weighing 4.65 million tons during January-September, an increase of 39.2 percent of the same period last year.

The number of ships also increased to 139, 41 more than last year, according to data released by the Korea Shipbuilders Association.

The recent increase in ship orders began amid stabilized ship prices which had fallen before.

The rate of shipbuilding completion also increased 22.2 percent, recording 3.72 million tons as in September, mainly due to good relations between labor and management in major shipbuilding companies like Daewoo Heavy Industries and Hyundai Heavy Industries.

The remainder shipbuilding work reaches 13.31 million tons, an increase of 15.4 percent from the previous year.

Burma

Government Reportedly Postpones KNU Peace Talks

BK0510112595 Bangkok SIAM RAT in Thai 4 Oct 95 p 22

[Unattributed report]

[FBIS Translated Text] According to a source in the Thai-Burmese border area, the Burmese Government recently sent three representatives — U Khun Myat, U Tun Aung Gyaw, and A Soe Myint — to the border area of Pa-an Township in Karen State to meet KNU [Karen National Union] leader General Bo Mya and inform him that the scheduled peace talks between the KNU and Burmese Government had to be postponed for a period of time because the Burmese leaders are still busy receiving government guests from various countries.

Gen. Bo Myo reportedly informed the KNU Central Committee about the request for the postponement of negotiations during a meeting at Ah Sum Camp, opposite Umphang District in Tak Province. The KNU leader also informed the meeting about his planned journey to attend the peace talks with the Burmese side. Gen. Bo Myo emphasized to the KNU Central Committee that peaceful negotiations with the Burmese Government are necessary for the KNU and that political issues will certainly be brought up for discussion during the dialogue.

Ambassador Discusses Convention Postponement

BK0610060595 London BBC in Burmese to Burma 1345 GMT 5 Oct 95

[Telephone interview with U Hla Maung, Burmese ambassador to Britain, with U Zeya Bala of BBC Burmese Service in London on 5 October — recorded]

[FBIS Translated Text] [U Zeya Bala] Why was the National Convention postponed?

[U Hla Maung] A decision was made to reconvene the convention after 24 October and the Thadingyut Festival — an important Buddhist festival. The season for harvesting crops has ended, and in accordance with Buddhist Burmese traditions, merit-making events are held after the harvest. Considering this religious tradition, there was a proposal to reconvene the convention after the Tazaungdaing Festival which is connnected with the Thadingyunt Festival. I have received confirmation on the report about rescheduling the National Convention according to the wishes of the delegates, enabling all of them to attend.

[U Zeya Bala] Mr. Ambassador, harvesting and the festivals are normal annual events in Burma. The dates are known in advance. Why was the convention suddenly postponed, citing the abovementioned reasons? Were there any other reasons?

[U Hla Maung] There were no other reasons. I would like to confirm that the date for reconvening the National Convention was postponed in response to requests from the majority of the delegates, and is not related to any political issues.

[U Zeya Bala] However, diplomats in Rangoon are saying that the Burmese Government appears to be worried about activities of Daw Aung San Suu Kyi and the National League for Democracy and their plans. Would you like to comment on this, Mr. Ambassador?

[U Hla Maung] As I mentioned earlier this postponement came at the request of the majority of the peasant delegates. I would like to reiterate that this matter is not related to any political issues.

[U Zeya Bala] May we know what issues will be discussed when the National Convention resumes on 28 November?

[U Hla Maung] U Zeya Bala, as you know the National Convention is to discuss 15 chapter headings. Of these chapters, discussions on three chapters on the state, state structure, and the head of state, have already been completed at the last session. The forthcoming session will discuss the next three important chapters on legislature, administration, and the judiciary. In connection with the resumption of the National Convention, I would like to reemphasize the importance of these six chapters of the Constitution.

Possible Reasons for Convention Postponement

BK0610051695 London BBC in Burmese to Burma 1345 GMT 5 Oct 95

[Dispatch from BBC Southeast Asia correspondent, Ian Simpson, in Singapore]

[FBIS Translated Text] The National Convention has been held on and off for over two and a half years. Thus far, the orderly convention sessions had been held under the close supervision of the military government. There is no doubt the Defense Services will play an important and leading role in Burma's politics once the constitution is firmly established. However, the forthcoming session of the convention would be the first since the release of opposition leader Aung San Suu Kyi from her six-year house arrest. That is why diplomats in Rangoon believe the government is beginning to worry about the plans of Aung San Suu Kyi and her party members.

Since her release, Daw Aung San Suu Kyi has been calling for dialogue with the government to discuss political reforms and the transfer of sovereign power to a civilian government. Official response from the government has been that the National Convention, which is being attended by delegates from Aung San Suu Kyi's party, is the sole forum in the country for political discussions and that there is no need for separate talks. The date for reconvening the National Convention [24 October] coincides with the scheduled debate on Burma at the UN and the 50th anniversary celebrations of the UN.

According to diplomats in Rangoon, the government appears to be worried about a possible boycott of the convention by delegates from Aung San Suu Kyi's party. The government is also concerned about the declining image of the convention which is being portrayed as an event of concern to the entire nation. Diplomats also believe that it is likely that the government may have plans to take action against the National League for Democracy. If such matters arise, the government could lose its image in the world at a time it is trying to improve its international image, and could be subjected to harsh criticism at the UN.

Military Takes Action Against Khun Sa

BK0610083095 Bangkok THE NATION in English 6 Oct 95 p A9, A11

[Report by Andrew Nette: "Khun Sa Begins To Feel the Heat"]

[FBIS Transcribed Text] For thirty years Khun Sa has been the most feared and powerful of Burma's drug lords, responsible for nearly 60 per cent of the world's heroin, produced in a string of laboratories throughout the Golden Triangle. If Western law enforcement officials and the Burmese Government have their way, this will not be the case for much longer.

Normally, the rains that blanket the Golden Triangle from May to November are so heavy that little movement is possible. But this year, the monsoon has masked a flurry of activity as the Burmese military moves thousands of troops into position around Khun Sa's base of Ho Mong, opposite the Thai border.

Reports indicate that Khun Sa has responded by evacuating civilians from his base, and moving millions of dollars into Thai bank accounts, in preparation for what Western law enforcement officials in Bangkok maintain will be the Burmese Government's most serious drive to eliminate the drug baron yet come the dry season.

Others see these machinations as part of the phony war on drugs in the Golden Triangle, which they claim has been carried out for decades.

"It's a game. If they were serious they would just bomb Khun Sa and get it over with, but the reality is that Khun Sa is the best public relations device the Burmese have," maintained one seasoned observer in Chiang Mai.

"They can point to their campaign against him as evidence of their efforts to crack down on drugs," he continued. "If they didn't have him, they would have to invent him."

Throughout his career he has combined ruthlessness with a flair for publicity which once saw him try to hire Henry Kissinger to persuade the U.S. Government to buy a year's opium crop so that it could not be processed into heroin.

Khun Sa achieved international notoriety in 1989 when he was indicted in a New York court on drug trafficking charges. Although he does not deny that opium is the main crop grown in the area under his control, he has repeatedly stated that he only taxes the trade to fund his activities as a Shan nationalist.

"I don't grow poppies. It is my people who grow them ... because they need to buy rice to eat, and clothes to wear for themselves and their families," he is quoted as saying in a recently published pamphlet, "General Khun Sa: His Life and His Speeches," one of several public relations tracts to have appeared in bookshops throughout Thailand in recent months.

He has claimed he is a scapegoat, blamed for Washington's failure to control drugs, and has accused the Burma's ruling State Law and Order Restoration Council [SLORC] of involvement in opium smuggling.

While few observers give any credibility to Khun Sa's nationalist pretensions, most agree that given the SLORC's iron grip over the country it is inconceivable that drugs could be moved out on such a scale without their official connivance.

"They are definitely involved in the drug trade," said one Australian academic familiar with the situation in Burma. "This is one of the poorest nations in Asia, and it is difficult to see how the government could have acquired the army they have without access to some alternative form of finance."

Also implicated have been businessmen and government officials across Asia, who have reportedly used profits from the drug trade to fund the construction of new hotels and shopping centres from Rangoon to Phnom Penh.

Despite labelling him the "worst enemy the world has", the American Government bears much of the responsibility for Khun Sa's rise to power, a saga deeply entwined with the shadowy world of civil war anticommunist insurgency that has dominated Burma since World War II.

He received his first military experience fighting with the Kuomintang, anticommunist Chinese forces who during the 1950's and 1960's waged a guerrilla war against Beijing with the covert backing of the U.S. Central Intelligence Agency and money from the opium trade.

In the late 1960's he was recruited by Rangoon's military government to head a "home guard" unit against the once powerful Communist Party of Burma. He used the arms and influence provided by Rangoon to establish himself as an opium smuggler.

Western observers say that eliminating Khun Sa is a vital part of the Burmese military-regime's effort to dispel foreign perceptions of official complicity in the drug trade.

In addition, the Burmese Government is keen to access the abundant natural resources available in the area under Khun Sa's control including hydro-electricity and timber. Thai logging companies are said to have already signed timber concessions in the area under his control in anticipation of Khun Sa's defeat.

Rangoon appears to be using similar tactics against Khun Sa to those employed successfully against the Karen headquarters of Manerplaw earlier this year: encirclement and economic strangulation, while it prepares for a major military offensive.

Rangoon has sealed off the border with Thailand, cutting the drug lord's trade routes and preventing vital supplies of food and medicine from entering his territory. The SLORC has also succeeded in exploiting ethnic differences within the Muang Tai Army between the mainly Chinese leadership and a group of younger Shan leaders who view Khun Sa as a liability in the struggle for an independent Shan state.

Rangoon has lured over a key defector, Lt-Col Gunyod who now leads an independent Shan militia of 500-1,000 men. He reportedly quit because of Khun Sa's "discrimination" against native Shans and his preoccupation with the opium business.

Thai and U.S. drug enforcement agencies have cooperated in an unprecedented wave of attacks on Khun Sa's trafficking organization abroad. The biggest of these to date, code-named "Operation Tiger Trap" in late 1994, saw a blitz on Khun Sa's "safe houses" in Thailand, which led to the arrest of ten of his top lieutenants and the seizure of vital internal records and financial documents.

Most seriously of all, the SLORC has enlisted the support of ethnic Wa hill tribes, who have engaged in fierce fighting with Khun Sa's forces over the last few months.

United Nations and law enforcement officials in Bangkok claim that together these activities have succeeded in cutting the drug lord's heroin processing ability by two-thirds, and seriously damaging his other business activities such as cattle rustling and gem trading.

But while this has led some to speculate that the drug lord's days as the undisputed ruler of the Golden Triangle may be approaching their end, others are more cautious, pointing out that this is not the first time Khun Sa has been pronounced finished only to bounce back.

Despite internal divisions, his organization remains the most powerful ethnic army in Burma. His private army is estimated to number 20,000 full-time fighters, armed with everything from U.S. automatic weapons to Russian made Sam-7 surface-to-air missiles.

Although it has received considerable media attention, the Chiang Mai source predicted that the break-away faction would not be successful due to the fact that it "does not have an economic base and problems with its supply lines."

In March the Burmese regime announced a cease fire with the Karenni — a move considered vital to the regime's attempts to isolate Khun Sa, as Karenni state is a buffer to his territory, through which SLORC troops hoped to attack the war lord.

Brunei, Malaysia & Singapore

Malaysia

Minister Supports Efforts To Condemn France

BK0510113295 Kuala Lumpur Voice of Malaysia in English 0800 GMT 5 Oct 95

[FBIS Transcribed Text] Malaysia supports the ongoing efforts in the United Nations to issue a resolution condemning France for its continued nuclear tests in the South Pacific. Foreign Minister Datuk Abdullah Ahmad Badawi said the move to censure France was spearheaded by several countries attending the UN general assembly in New York.

Discussions are being held on the draft of the resolution of the nuclear testing. Abdullah said this in New York when asked by (?reporters) on Malaysia's move against France for exploding a nuclear device in the Fangataufa atoll last Sunday if by having been roundly condemned for conducting a similar test in the Mururoa atoll earlier. [sentence as heard]

Malaysia hopes that this effort will bring a positive reaction from France because it is done at the UN level. Abdullah said the global approach in condemning France was necessary because earlier protests voiced by several countries individually had not produced the desired effect. So far, 16 member countries of the South Pacific Forum had severed ties with France in protest against its nuclear tests. Prime Minister Datuk Sri Dr. Mahathir Mohamed had stated Malaysia's stand against nuclear testing by any country when addresing the UN general assembly.

Daily Calls French Nuclear Test 'Unacceptable'

BK0610041495 Kuala Lumpur UTUSAN MALAYSIA in Malay 4 Oct 95 p 6

[Editorial: "France Should Comply With World Wishes"]

[FBIS Translated Text] France once again became the target of severe criticism by the world community yesterday after conducting the second underground nuclear test on Fangataufa Atoll in French Polynesia in the South Pacific.

Naturally, the French action has been strongly criticized by all world community members because it demonstrates the arrogance of a colonial power that has completely disregarded world opinion that generally opposes all nuclear testing.

After conducting the first nuclear bomb test on Mururoa Atoll — more or less equivalent to the atomic bomb that destroyed Hiroshima, Japan 50 years ago — France detonated 110 kilotons of TNT, the intensity of which was six times stronger than the first one, during the second test yesterday.

Ostensibly, France is telling the world of its nuclear weapons strength, and is sending a message about its great nuclear power to which the world must bow. France has indirectly warned the world community of possible negative consequences should anyone be courageous enough to take or to even think of taking retaliatory action against it.

France's decision to conduct between six and eight tests within a specific period merely to guarantee national security is unacceptable now that an agreement on nuclear weapons reduction has been endorsed by most countries of the world.

In addition, active efforts to rid the world of nuclear weapons have been ongoing. Accordingly, France and other nuclear powers no longer have any justification to continue to strengthen their current nuclear arsenals.

If France and other nuclear powers are truly honest about their intention to rid the world of nuclear weapons, they should begin dismantling their nuclear arsenals now to eliminate any questions about their threats and nuclear power in the world.

France can no longer be allowed to continue its nuclear testing program, and the international community should speak loudly in opposing France's action and, if necessary, take firmer and more effective retaliatory measures. If the United Nations was able to force Iraq and North Korea to rid themselves of nuclear weapons by imposing sanctions on or isolating them, why shouldn't similar measures be taken against France?

France has demonstrated its arrogance by disregarding the international community's opposition to its action. France has ostensibly challenged the world's firm stance on nuclear weapons. If the world does not assert its firmess, the abolition of a nuclear threat will never be achieved.

Cambodia

Ranariddh Meets Australian Chief of Staff

BK0610073395 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 6 Oct 95

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, granted an audience to John Sanderson, chief of staff of the Royal Australian Defense Force, at the Council of Ministers office at 1500 yesterday afternoon. On that occasion, the prince said Cambodia is presently enjoying better political stability, compared to the period prior to the general elections. He added that the three major political parties have been harmoniously united.

In his reply, John Sanderson praised the Kingdom of Cambodia for its progress, especially the Khmer Royal Armed Forces for its fine unity. He said Australia will continue to assist Cambodia in its efforts to speed up restoration and redevelopment of the country.

Khieu Samphan Says Current Situation 'Explosive'

BK0610054195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 5 Oct 95

[Interview with Khieu Samphan, "prime minister and minister of the National Army of the Provisional Government of National Union and National Salvation," by an unidentified station correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] I am a representative of the Provisional Government of National Union and National Salvation [PGNUNS] radio. I am very happy to have the opportunity to interview you in person today. In your 3 October statement, you stated that the current Cambodian situation is about to turn upside down. Could you elaborate more on this issue?

[Khieu Samphan] Yes. The situation in Cambodia at this point is explosive and could turn into a diturbance. Why? Because our nation and the people's hatred has already reached its climax. The nation and the people can no longer remain patient, the peasants can no longer remain patient, the students can no longer remain patient, the journalists can no longer remain patient, and personalities from all political circles and persuasions can no longer remain patient.

The shout by a woman as I pointed out in my 3 October statement represents the shout of all our peasants. It is a shout demanding cooked rice, the return of their rice fields and orchards, a halt to the conscription of soldiers and militiamen, an end to the communist Vietnamese war of aggression, and the restoration of peace making it possible to plant crops, to make a safe living, and to keep themselves from starving.

As for the shout by a student that I also mentioned in my statement, it represents the shout of the people, the masses, students, journalists, and all political personalities in Phnom Penh demanding an end to war, national reconciliation, democratic rights and freedom, and a termination of a regime of nation-betraying, nation-selling, most fascist, and most corrupt two heads, who are the out-and-out communist Vietnamese lackeys. The two-headed soldiers and their wives have also shouted demanding cooked rice; their pay; medicine for diseases, shot wounds, malaria, diarrhea, and so on; and an end to war. In a war, only conflicts, shot wounds, physical disability, people without legs or arms, and the blind are seen. The two heads have never cared about them. The only thing they have done is shoot them from behind and push them to continue fighting and to die, to step on mines and stakes, and to fall into punji pits. This is why the two-headed soldiers are revolting and refusing to heed their commanders' orders. They are seeking to blast off the heads of the commanders. The two-headed soldiers are rising up and fleeing battlefields in groups of tens or hundreds or in entire units. As those soldiers and their wives and children are starving and as the guns are already in their hands, they are using their weapons as a means to obtain rice to feed themselves and their families. They are searching for rice at the two heads' rice depots to feed themselves and their families, preventing their death from starvation.

The situation has evolved to such a stage. It is about to explode and turn upside down.

[Correspondent] Thank you, Excellency. In such a situation, the Clinton administration continues to pursue its arrogant policy. (?What is its expectation?) Could you elaborate on this issue?

[Khieu Samphan] Yes. I think that all of us should clearly understand the real situation in Cambodia at the moment. What will it turn out to be? The U.S. Administration must also clearly understand this real and concrete situation.

As I said in my statement, the Clinton administration has decided to conduct a military exercise in Cambodia. Beginning this October, a group of 20 to 30 American soldiers and officers will get involved in the exercise. The number of American troops will increase to 120 or 130 by the end of 1995. This is the beginning of the U.S. Administration's involvement in Cambodia's war. However, in the current situation that will explode and turn upside down and under the circumstances when the two heads have already completely collapsed in all fields and sectors — the two heads have not only fallen in all fields and sectors, but are also so corrupt and so rotten that nothing can be done to fix this — what can the U.S. Administration expect from its involvement in the Cambodian war? What can it solve? What can 100 or 200 American soldiers and officers solve? They will not be able to support the two-headed troops or prevent the two-headed soldiers from fleeing the battlefield, let alone remedy the political situation and the state of the two heads' internal rifts. They will not be able to restore the two-headed economy and finance which have already completely crumbled; and they will not be able to rectify the two heads' social situation that is about to explode, to become perturbed, or to be turned upside down. The U.S. Administration will only get further bogged down and meet a most shameful defeat once again.

Indonesia

Delivery of New Arms; Officials Promoted

BK0610090095 Jakarta THE JAKARTA POST in English 30 Sep 95 p 2

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — The Indonesian Armed Forces (ABRI) has began taking delivery of some of the weapons it ordered as part of the military's modernization drive.

ABRI Chief of General Affairs Lieutenant General Suyono said that 26 of the 52 retrofitted Scorpion tanks ordered from Britain and 300 Mercedes army trucks from Germany are among the newest arrivals.

The other 26 Scorpion tanks will arrive in January, Suyono told THE JAKARTA POST on Wednesday.

Some of the Scorpion tanks were displayed at the just concluded 1995 Military Exhibition held at the Jakarta Fairground in Kemayoran district. The new tanks are retrofitted with sophisticated radar, a 1.05mm canon and newly-designed lamps.

Suyono said that Indonesia has also ordered modern gun and air radar equipment from France, Britain and Germany. The equipment will arrive early in 1996.

"The new guns are for the Army, while the radar will be used by the Air Force," he said.

Another plan still under negotiation is for the purchase of nine F-16 fighter jets from the United States, Suyono said.

Indonesia has expressed interest in taking some of the 28 F-16's that were originally intended for Pakistan.

"The planes are new. But we cannot buy them all, because ABRI has no funds to do so," he said.

Suyono said Indonesia is still waiting for the delivery of the last four of 39 retrofitted warships it ordered from the arsenals of former East Germany. These should be arriving within the next eight months, he added.

The general declined to disclose the total amount of money the Armed Forces has to pay for its new weapons. He said only that the equipment is not being paid for out of ABRI's budget, which just barely covers recurrent spending and maintenance of its equipment.

In another military development, 16 senior officers were promoted in rank yesterday in anticipation of ABRI's coming 50th anniversary.

The 16 reported for duty to ABRI Chief Gen. Feisal Tanjung at his office yesterday morning.

The most senior of them was Sofyan Effendi, who was recently appointed as the new governor of the National Resilience Institute. He was promoted to lieutenant general.

Sofyan has also been appointed as commander of ABRI's 50th anniversary ceremony and military parade to be held at the Halim Perdanakusuma military base on October 5. He will be the most senior officer to ever command such a ceremony. In the past, such a task was given to an officer holding the rank of colonel.

Among the officers to be promoted to the rank of major general include chief of the Trikora Military Command, Dunija, chief of the Army Infantry Arms Center, Rakhmat Mokoginta, and assistant for personnel to the ABRI chief of general affairs, A. Jalal Bahtiar.

Supreme Court Frees Independent Labor Leader

BK0610064495 Jakarta KOMPAS in Indonesian 1 Oct 95 p 1

[FBIS Translated Excerpt] Jakarta, KOMPAS — The Supreme Court has finally acquitted Dr. Mukhtar Pakpahan, chairman of the Central Executive Council of the Indonesian Sejahtera Trade Union [SBSI, an independent trade union not recognized by the government] on charges of masterminding labor protests in Medan in April 1994. The verdict was announced by a panel of judges comprising Adi Andoyo Sucipto as chairman, and Karlinah Palmini and Tony Bustomi as members on Friday (29 September).

The Supreme Court accepted Mukhtar Pakpahan's appeal against the jail term because the panel of Supreme Court judges believed that the first-level court made mistakes in implementing the law. The Supreme Court said the latter had mistakenly interpreted the element of incitement in Article 160 of the Penal Code. This Supreme Court panel of judges led by Adi Andoyo Sucipto is the one which acquitted defendants on charges of murdering Marsinah [a female labor activist].

The acquittal was surprising because the Medan District Court sentenced Mukhtar Pakpahan to three years in jail. A panel of judges comprising V.D. Napitupulu, Netty Baru, and K.L.S. Nainggolan found Mukhtar Pakpahan guilty beyond reasonable doubt of violating Article 160 in connection with Article 64 (1) and Article 161 of the Penal Code. [passage omitted]

Pakpahan had filed an appeal against the verdict to the North Sumatera High Court. A panel of judges of the North Sumatera High Court comprising Nurat Ginting, Benito Harahap, and Murdhiyono increased Mukhtar Pakpahan's increased the jail term to four years in a verdict on Monday (16 January 1995). [passage omitted]

Editorial Downplays Fears of Communist Resurgence

BK0510142095 Jakarta THE JAKARTA POST in English 2 Oct 95 p 4

[Editorial: "Thirty Years After"]

[FBIS Transcribed Text] It is perhaps a bit ironic that of late, three decades after the Army crushed and outlawed the Indonesian Communist Party (PKI) for its part in the bloody coup of September 1965, many people here are still wondering if the PKI has actually been wiped out at all. Just hearing or reading our officials persistent warnings against the latent danger of communism, one might think that somehow the communist specter is still very much alive and kicking these days.

Following the collapse of the communist regimes of Eastern Europe and the transformation of China and Vietnam, which started following the capitalist path in the early 1990s, the warning somehow seems hollow, particularly because the authorities have not come up with enough solid evidence to support their claims.

Yet, suddenly, in the last several months the warnings have been amplified by a hundred decibels. Armed Forces Chief General Feisal Tanjung, for example, last month advised all regional military commanders to raise the level of their alertness to what he termed "increasing communist and leftist activities in Indonesia".

One of the arguments cited for the need to always be vigilant against the communist threat is that "it is only the communist countries that fell apart, but communism has not crumbled". Another indication that the communists and leftists are on the rise, according to some officials, is the publication of memoirs by some leftist figures in the last several months, which allegedly tend to whitewash their relationship with the coup.

The persistent stance taken by well-known writer and this year's Magsaysay Award winner Pramuya Ananta Tur regarding his leftist past has been cited as proof that he remains a "diehard". Some officials also have warned the danger of the "young communists" who use the issues of human rights and the existing social gap as a front for their activities.

To many people, however, the whole controversy is simply confusing. It was only a few weeks ago that the government at last bowed to popular demand to phase out the special ET (eks tahanan politik, or former political detainees) mark from the identity cards of some 1.3 million former communists. There is no denying that this constituted a policy relaxation towards the former communists. But then, why are the authorities at the same time calling for greater alertness.

One explanation could be that three decades after the communist coup, many of our officials are still incapable of freeing themselves from the phenomenon of "communist phobia". Yet, this sounds absurd. Poor as we were in 1965, we still succeeded in crushing the communist coup. Now we are much stronger and certainly in much better shape. Then, why should we be wary of the remnants of the PKI?

We think that to continue to portray communists, or the PKI remnants, as dangerous and immortal foes is to inadvertently build a myth around them. Actually, what we should be doing is to build confidence among the people so that we will be capable of dealing with any threats coming from whatever direction.

The authorities should also come up with more evidence to back up their claim that communist activities are on the rise. We are afraid that without proper evidence many of our well-educated young people, who have no experience whatsoever with the communists, will think that the repeated warnings are just an excuse to justify continuing human rights restrictions.

After 30 years, we are also aware of the fact that the coup is still surrounded by plenty of mysteries. There are enough murky holes around it to fill several history books. Despite an official white book and a dozen or more accounts on the coup written mostly by foreign writers, there are many controversies that need to be explained.

Therefore, we support the idea of a thorough study on this national tragedy. Perhaps, when we have acquired a better understanding of the coup, we can finally shake the trauma of conscience. Otherwise we are sure to be haunted by this one specter indefinitely.

Laos

Remains of 7 Missing U.S. Servicemen Identified

BK0510114395 Vientiane KPL in English 0913 GMT 5 Oct 95

[FBIS Transcribed Text] Vientiane, October 03 (KPL) — Remains of seven United States Air Force servicemen missing in Laos from the period of the Indochina war have been identified and returned to the United States for burial. The seven servicemen are Colonel Charlie B. Davis, Jr.; Colonel Charles F. Rowley; Captain John C. Towle; Chief Master Sergeant Robert N. Ireland; Chief Master Sergeant Ronnie L. Hensley; Senior Master Sergeant Donald M. Lint; and Technical Sergeant Stephen W. Harris, announced yesterday a press release of the US Embassy here.

These air force personnel were crew members of an AC-130A aircraft lost near Ban Loi, Kalum, Sekong Province, in April 1970. Their remains were recovered by a joint Lao-United States joint field activity in November 1993.

The United States Government welcomes and appreciates the cooperation of the government and people of the Lao People's Democratic Republic that resulted in accounting for these Americans. We hope that this cooperation will bring increased results in the future. Achieving the fullest possible accounting for missing Americans is of the highest national priority to the United States, concluded the release.

Cooperation Memorandums Signed With SRV

Energy Agreement

BK0510125895 Vientiane KPL in English 0909 GMT 5 Oct 95

[FBIS Transcribed Text] Vientiane, October 03 [date as received] (KPL) — Laos will sell electricity to Vietnam between 1998-2010.

The agreement was included in a memorandum of an agreement on cooperation in energy area signed by Soulivong Dalavong, minister of industry and handicraft, and Mr. Thai Phung Ne, minister of energy of the Socialist Republic of Vietnam, on September 30 night at the Lan Xang hotel.

According to the memo, Laos will sell 1,500-2,000 mw [megawatts] of electricity generated by the hydropower stations in central and southern Laos to Vietnam between 1998-2010.

The two sides will discuss the prices, financial measures and related issues according to each project later.

In the near future, electricity from hydropower stations in southern Laos will be transmitted to Vietnam on the principle of investment share, management and use of electricity facilities along the border.

The Vietnamese delegation left here home on October 01, ending its six-day long visit to Laos at the invitation of the Lao Ministry of Industry and Handicraft.

During its visit, the Vietnamese delegation called on Khamphoui Keoboualapha, vice prime minister and president of the Committee for Planning and Cooperation, held talks with the Lao side on hydropower sources development in Laos and the purchase of electricity from Laos with a delegation of the Ministry of Industry and Handicraft led by its minister, Soulivong Dalavong. The visitors also visited the Nam Theun-Hin Boun and Houai Ho hydropower stations in central and southern Laos, and the location of the Se Khaman station, and also toured Champassak Province.

Banking Cooperation

BK0510125595 Vientiane KPL in English 0944 GMT 5 Oct 95

[FBIS Transcribed Text] Vientiane, October 04 [date as received] (KPL) — Laos and Vietnam have agreed to step up their cooperation in banking.

This agreement is contained in a memorandum of cooperation reached yesterday morning between the Bank of the Lao P.D.R. [Lao People's Democrat
Republic] and the State Bank of the Socialist Republ
of Vietnam. The signatories to the memo were M
Boutsabong Souvannavong, governor of the Bank of th
Lao PDR and Mr. Cao Si Kiem, president of the Sta
Bank of the Socialist Republic of Vietnam.

The memo includes training cooperation, and an e
change of visits by high-ranking officials and expert
Vietnam also agreed to send Vietnamese experts ar
lecturers to train Lao banking personnel and provic
training for Lao personnel in Vietnam.

The Lao side will invite Vietnamese experts and teacl
ers and the people who have made contribution to th
Lao revolution to visit Laos.

The Vietnamese delegation returned home yesterda
ending its visit to Laos.

Philippines

Libya Seeks Support for Security Council Seat

BK0610080095 Quezon City MALAYA in English 4 Oct 95 p 2

[Report by Jean Magdaraog]

[FBIS Transcribed Text] Libya is soliciting the suppo
of the Philippine Government for its bid for a nor
permanent seat in the United Nations Security Counci

Libyan Ambassador Rajab 'Abd-al-'Aziz al-Zarruq sai
his country wants the Philippines' backing because th
latter heads the Group of 77, a forum for Third Worl
Nations.

Al-Zarruq said countries in Africa, Middle East, Lati
America, and Asian members of the Organization
Islamic Conference [OIC] have already pledged the
support for Libya's bid.

Diplomatic sources, however, said the United State
Great Britain, and France have been pressuring th
Philippines to block Libya's lobby for entry into th
Security Council.

The sources said the Philippine Government has
weigh the impact of not supporting Libya on ongoin
peace negotiations with the Moro National Liberatio
Front [MNLF]. Libya helped in the forging of th
Tripoli Agreement between the MNLF and the Marco
regime in the '70s to end the raging secessionist war
Mindanao.

Libya is also a member of the OIC Committee of Si
which has been mediating in the current RP [Republ
of the Philippines]-MNLF talks.

The sources said the Libyan Embassy had sent a message to MNLF Chair Nur Misuari to help them in their candidacy. Al-Zarruq was quick to deny this, saying that although the MNLF has been supportive of the Libyan Government, it could not seek its backing since the Muslim group is not a UN member.

Argentina's Menem Arrives in Manila 5 Oct

BK0610022495 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 5 Oct 95

[FBIS Translated Text] Sergeant Vic De Los Reyes of Airport Security Center strongly denied reports that violence took place on the arrival of Argentinian President Carlos Menem last night. According to him, no reports on an encounter between several security men and members of the media were received. According to a member of the Intelligence and Investigation Bureau of the NAIA [Ninoy Aquino International Airport] who refused to be identified, it is possible that the authorities ordered a news blackout on the incident.

Abu Sayyaf, Military Clash in Basilan

BK0610100395 Manila MANILA STANDARD in English 4 Oct 95 p 2

[Report by Rudy Saavedra]

[FBIS Transcribed Text] Zamboanga City — The Southern Command [Southcom] of the Armed Forces of the Philippines reported yesterday that government troops and a faction of the Abu Sayyaf clashed in a forested area in Sumisip, Basilan resulting in "heavy casualties" on the side of the Muslim terrorist group.

In a report to Southcom, Brig. Gen. Voltaire Gazmin, commanding officer of the Army's 103rd Brigade, said that bandits suffered several dead or wounded "as evidenced by bloodstains" on their escape route.

The gun battle, which lasted for 20 minutes, took place early Monday [2 October] morning when troopers of the 18th Infantry Battalion chanced upon the Muslim extremist group in a thickly forested area of Sumisip.

The Muslim group was believed responsible for the ambush-slaying Sunday of six soldiers, including two young lieutenants.

Southcom spokesman Maj. Fredesvindo Covarrubias said the bandits fled towards the hinterlands of Sumisip bringing with them their casualties. He said there was no casualty on the government side.

The military claimed that a Garand rifle and two magazines of an M-16 rifle were recovered by the Army troopers at the battle scene.

To elude pursuing government troops, the Abu Sayyaf guerrillas reportedly split into small groups as they fled into the mountainous region.

Covarrubias said that the Armed Forces will use air support to pound the bandit lairs once their exact location is pinpointed.

Air strikes are carried out to flush out the bandits from their well-entrenched mountain hideout and to clear the way for the assaulting ground troops.

The 4th Infantry Battalion of the Army was deployed to search and destroy the Abu Sayyaf group that killed six soldiers of the same unit in Sitio [Village district] Libi, Barangay [Village] Colonia, Lamitan.

Among those killed were 1st Lt. William Abaya, a PMA [Philippine Military Academy] Class '92 graduate and commanding officer of the 4th IB [Infantry Battalion] Bravo Company, and 2d Lt. Jeffrey Magalong, a member of PMA Class '95, who was barely three days in Basilan when slain.

Southcom identified the leader of the ambushers as Montong Sali, the acknowledged leader of the Abu Sayyaf in the island province.

Montong took over the helm of the bandit group from his brother, Barahama, who was killed as Marine troopers rescued captive Roman Catholic priest Cirilo Nacorda last year.

Thailand

Pramon Backs Prevention of Politicians 'Meddling'

BK0610100295 Bangkok BANGKOK POST in English 6 Oct 95 p 2

[Unattributed Report]

[FBIS Transcribed Text] The new army commander-in-chief yesterday voiced support for Defence Minister Chawalit Yongchaiyut's call to amend the relevant laws and regulations to halt outside interference in military affairs.

Gen Pramon Phalasin said he has ordered the army's judicial office to search for laws and regulations which have or could be used by meddling politicians.

Throwing his weight behind moves inspired by Gen Chawalit to distance the military from politics, he said the findings of the judicial office would be sent to the ministry.

Asked for examples of laws and regulations which should be amended, Gen Pramon said he would have to wait for the judicial office report.

Army sources said most officers were also at a loss to identify the laws and regulations Gen Chawalit had in mind.

One source said there were many laws and regulations that involved other agencies: for example, the Anti-Communist Act involved both the Government and the National Security Council.

However, observers claimed that other agencies and politicians have seldom meddled in military affairs.

It was, in fact, Gen Chawalit, as defence minister, who stepped in to change the military reshuffle list and there have been suggestions that his latest campaign was intended to allay fears of any further interference.

However, Gen Pramon made it clear that as an individual soldier and a Thai citizen, he was allowed to express his own political opinions which were not the official view of the armed forces.

Soldiers expressing their views must be "very careful" while doing so, he added.

Earlier, Defence Permanent Secretary Gen Phaibun Emphan said he was puzzled by Gen Chawalit's proposal.

Gen Phaibun, who lost out in the reshuffle after Gen Chawalit promoted Gen Pramon instead, said as a former serviceman and now a politician, Gen Chawalit must realise his scope of responsibility.

Gen Pramon declined to comment on the changes made to the list by Gen Chawalit, saying he needed more time to work.

"I want to keep a low profile on these matters," he said.

Commenting on moves to amend the constitution relating to the selection of senators, Gen Pramon said his colleagues in the Upper House should be neutral.

However, such neutrality must be based on reason and appropriateness, he said.

Asked what he thought about a suggestion to reduce the number of military senators, Gen Pramon said it was not necessary to retain the same number.

Air Force Wants More Weaponry Before F-18's

BK0610100195 Bangkok BANGKOK POST in English 6 Oct 95 p 1

[Unattributed report]

[FBIS Transcribed Text] The Royal Thai Air Force has decided to buy a squadron of F18s on condition the Americans agree to add more advanced weapons and electronic systems to the aircraft.

Air Force Commander-in-Chief ACM [Air Chief Marshal] M.R. Siriphong Thongyai said the RTAF had sent a letter of request to the US armed forces over its interest in the two-engined fighters, which cost US$35 million each.

ACM M.R. Siriphong said the RTAF had stated clearly in the letter that it was interested in the planes and would buy them if America agreed to install more sophisticated weapons.

"If they agree to our proposal we'll buy a squadron of F18s," said the air force commander.

ACM M.R. Siriphong said the RTAF finalised the acquisition of the F18s after an air force committee led by air force Chief of Staff ACM Amon Naeomali concluded a study favouring the aircraft.

The air force commander said that if the RTAF proposal were turned down, the RTAF might reconsider its decision to acquire the F18s.

"If they do not agree to our proposal we may not buy them and could consider other types," said ACM M.R. Siriphong.

The committee led by ACM Amon had also presented the air force commander with details of studies of other types of jet fighters including the F16C, the Mirage 2000 of France and Russia's SU-35 and MiG29.

The committee proposed the purchase of the F18s after taking into account "present external threats" and the aircraft's combat ability and safety.

Columnist on Activity of 'Drug Lords' in Burma

BK0610085595 Bangkok THE NATION in English 6 Oct 95 p A9, A11

[Report by Andrew Nette: "Pretenders to Drug Baron's Mantle Mass"]

[FBIS Transcribed Text] Whether the present assault against Khun Sa is successful or not, what is certain is that the flow of drugs from the Golden Triangle will continue. "Khun Sa is just one of many people involved in the narcotics trade in Burma, and if he is removed there are many others who will take his place," said an informed source in Chiang Mai.

Indeed, if Khun Sa's dominance does come to an end, many believe it will have less to do with the machinations of the SLORC [State Law and Order Restoration Council] and the U.S. Drug Enforcement Agency, than with the activities of a new breed of drug lords, who are changing the decades-old rules by which the narcotics business in the Golden Triangle has been conducted. In the past, hill tribe farmers grew the opium poppies, and merchants connected to Khun Sa bought the opium and refined it into heroin in laboratories on the Thai-Burma border. Various international criminal syndicated then smuggled the drugs through Thailand to Southeast Asia and the West.

This situation changed following the collapse of Communist Party of Burma [CPB] in 1989. Throughout the 1970's Beijing supplied the CPB with more aid than any other insurgent movement outside Indochina. With the warming of relations between China and Burma in the early 1980's this declined, forcing the CPB into a reliance on the two cash crops available in the area under their control: tea and opium. After the party's break-up, the 15,000 strong force split along ethnic lines. Within months, the SLORC had signed peace deals with them, under which they were recognized as local militias, allowed to keep their weapons and engage in any business activity they wished, including narcotics, in return for severing any links to those forces still fighting Rangoon. This facilitated the rise of a new generation of drug lords who used the freedom to increase opium production to a record 2,500 tonnes in 1994, according to a U.S. State Department report released earlier this year. These include Lin Mingxian, a former Red Guard who joined the CPB in the late 1960's, and Lo Hsing-han, an ethnic Kokang, both of whom command ex-CPB forces now recognized as local militias by the authorities in Rangoon.

While Khun Sa continues to command his forces from a remote base in the Shan state, dealers like Lin Mingxian and Lo represent a different breed of socially mobile dealers.

They stay in first class luxury hotels in Rangoon, Yunnan and Singapore, play golf with SLORC generals and own real estate throughout Asia. Lin has hosted visiting U.S. delegations to northern Burma and participates as an ethnic representative in the Burmese Government's Constitutional Convention.

In addition to establishing a host of new heroin producing laboratories within the Golden Triangle itself, they and other drug dealers have used their connections left over from their CPB days to pioneer new trafficking routes into southern China and Indochina.

Southern China is now the conduit for an estimated 50 per cent of the heroin produced in the Golden Triangle. According to sources in Kunming, the trade has flourished with the active cooperation of officials throughout Yunnan, with the drugs often making their way from the Burmese border in military and police vehicles.

Western law enforcement officials say new routes are superceding Khun Sa's existing network, which remains largely based in Thailand and is under increasing attack from Thai and U.S. drug enforcement agencies.

New drug barons are also expanding their operations within Burma. Informed observers believe that Lo has bought up much of the opium crop in northern Shan state, an area which until recently was exclusively under the control of Khun Sa.

Citing the participation of elements of the Wa State Army, in Rangoon's campaign against Khun Sa, the Chiang Mai source said: "The Wa are involved only because they want economic control over trafficking routes through Thailand."

Law enforcement forces, meanwhile, remain at a loss as to how to combat the new traffickers. "To get to the key people, you have to have an international investigation," commented a senior UN drug control official, "and these countries don't have a history of that."

Vietnam

Iranian President Begins Official Visit

Meets With Le Duc Anh

BK0510163095 Hanoi VNA in English 1556 GMT 5 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 5 — Iranian President Akbar Hashemi-Rafsanjani was given red carpet welcome as he and his wife arrived in Hanoi today for a four-day official visit to Vietnam.

This is the first visit to Vietnam by an Iranian head of state since the two countries established diplomatic ties in 1973.

President A.H. Rafsanjani is accompanied by a delegation comprising Foreign Minister 'Ali Akbar Velayati and many other Iranian high-ranking officials.

Also present at the state welcoming ceremony were, among others, Deputy Prime Minister Nguyen Khanh, head of the Presidential Office Nguyen Viet Dung. Iranian Ambassador to Vietnam Seyed Kamal Sadjadi was also on hand.

Shortly after his arrival, President Rafsanjani and his entourage were received by his Vietnamese counterpart Le Duc Anh, who described the Iranian president's visit as a vivid manifestation of the time-honoured traditional ties between the two countries. President Anh took this opportunity to express thanks to the Iranian state and people for their valuable support to the Vietnamese national construction and defence in the past as well as at present.

Expressing his joy to visit Vietnam, Iranian President Rafsanjani said he strongly believed that with glorious victories recorded in their struggle for national independence and freedom, the Vietnamese people will surely gain their goals in the doi moi (renovation) process.

In the evening, President Le Duc Anh gave a banquet in honour of the Iranian president and his delegation, during which, President Anh spoke highly of the significance of the trip, saying that the visit would usher in new prospects in the promotion and development of the existing friendship and bilateral cooperation commensurate with the two countries' potentials.

In his reply, President Rafsanjani recalled the Vietnamese president's visit to his country May last year, which he said, has opened a new chapter in the relationship between the two nations. He said that Iran is ready to help Vietnam to reconstruct the country and develop its socio-economy.

Meets With Do Muoi

BK0510164895 Hanoi VNA in English
1613 GMT 5 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 5 — The Iranian Government is ready to help the Vietnamese people in their national construction, and will encourage the Iranian businessmen to increase their investment in and cooperation with Vietnam.

Iranian President A. Hashemi-Rafsanjani said while he was received here this afternoon by General Secretary of the Communist Party of Vietnam Do Muoi. President Rafsanjani expressed his admiration at the Vietnamese people's heroic struggle for peace and national independence, and affirmed that Vietnam could (?believe) in Iran's friendship and cooperation.

On this occasion, Mr. Akbar Hasheni-Rafsanjani invited General Secretary Do Muoi to visit Iran. Mr Muoi accepted the invitation with pleasure. Mr Muoi expressed his thanks to the Iranian president, government and people for their goodwill toward the Vietnamese's national construction and defence, and his wish that the friendship and multifaceted cooperation between the two nations would be constantly consolidated and developed.

Rejects U.S. 'Aggression'

LD0510202195 Tehran IRNA in English
1805 GMT 5 Oct 95

[FBIS Transcribed Text] Hanoi, Oct 5, (IRNA) — President Akbar Hashemi-Rafsanjani here on Thursday held talks with Secretary General of Vietnamese Communist Party, Do Muoi.

Do Muoi, hailing Hojjat ol-Eslam Rafsanjani's visit as a "turning point" in Tehran-Hanoi relations, said the assistance extended to Vietnam by Iran was "very important in safeguarding the independence of Vietnam." He called for expansion of relations in all areas.

President Rafsanjani said Vietnam, because of the heroic struggle of its people against colonialists, has made a deep impression on the minds of the Iranian people and freedom-lovers of the world.

"If international forums had been right in their claim of support for human rights, they would have condemned the aggression of the United States on Vietnam and made the United States compensate the losses suffered by the Vietnamese people. They would have taken the responsibility for the lack of progress of Vietnam," he said.

"Today, years after the end of the struggle of the Vietnamese people, if the United States claims that it is assisting in the reconstruction of this country, the aim is nothing except the pursuing of its illegitimate interests," pointed out the Iranian president.

He likened reconstruction and development to a "freedom struggle" which warrants marshalling of domestic resources and said that receiving assistance from other countries should be based on national interests and under full monitoring.

Do Muoi reminisced on the struggle of the Vietnamese people against colonialism and said the United States, despite the defeats it suffered in Vietnam, has yet to shed its aggressor image and spares no effort to interfere in the internal affairs of sovereign states.

The U.S. policy of interventionism and the gross violation of the United Nations Charter and human rights, is intended to cover up its domestic problems, added the Vietnamese official.

Rafsanjani thought on similar lines and said the United States levels baseless charges against independent states in a bid to cloud its own domestic difficulties.

The Iranian president, who arrived in Hanoi earlier in the day on the first-leg of his 3-nation Asian visit, said the public and private sector of Iran are ready to share their experience with Vietnam in development of ports, steel industry, cement plants, telecommunications, and oil and gas exploration.

The next stop on Rafsanjani's itinerary is the Philippines, before he winds up his tour by visiting Bangladesh on the way home.

Foreign Minister Attends Washington Conference

BK0510161995 Hanoi VNA in English
1556 GMT 5 Oct 95

[FBIS Transcribed Text] Hanoi VNA October 5 — Vietnamese Foreign Minister Nguyen Manh Cam who is now in Washington for a conference on normalising of Vietnam-US trade relations, met with his US counterpart Mr. Warren Christopher on Oct. 3.

Also present at the meeting were Vietnamese Minister of Trade Le Van Triet, Charge d'Affaires A.I. [ad interim] Le Bang, and on the US side, Under-Secretary of State Peter Tarnoff, assistant to the secretary of state Mr. Winston Lord, and deputy assistant in charge of economy Mr. Larson.

The same day, Minister Cam and Minister Triet also had working sessions with advisor to the US national security Mr. Anthony Lake at the White House.

During the meetings, the two sides reviewed the development in the relations between the two countries since the normalisation of their relations such as the establishments of the two embassies in Vietnam and US, the increase of trade exchange and the US's investment in Vietnam and the continued cooperation in MIA issue and in settlement of the humanitarian issues left by the Vietnam war.

The two sides were unanimous that reality has proved that the normalisation of the Vietnam-US relations is correct step which, they said, has contributed to the maintenance of peace and stability in Southeast Asia.

Regarding in the Vietnam-US relations in the future, Vietnam and the US also agreed that a trade agreement will lay the basis for the Vietnam-US economic relations, and that the two sides should promote economic relations as a first step for better relations between the two countries.

VNPT Seeks Control Over Internet for Security

BK0510152095 Hanoi VIETNAM INVESTMENT REVIEW in English 18-24 Sep 95 pp 1, 4

["VIR Exclusive" report by Quoc Vinh: "VNPT seeks to control Internet"]

[FBIS Transcribed Text] Vietnam Post and Telecommunications (VNPT) last week said its control on communications services should be extended to computer e-mail and the Internet, appealing for Government approval on grounds of "national security."

Vietnam's only existing commercial e-mail facilities are currently in the hands of the Institute of Information Technology (IoIT), an organisation led by Vietnamese scientists and computer experts. IoIT e-mail lines include Varenet, which is dedicated to academics, and the commercial Netnam, which to date has about 200 foreign companies as paying subscribers.

"Public services should be done by the Post Office," Nghiem Xuan Tinh, deputy director of Vietnam Data Communication Company (VDC), a Post Office subsidiary that hopes to control on-line activities for VNPT, told Vietnam Investment Review.

Tinh said that so-called "value-added services" broadcast on the telecommunications network "should not be done by too many people."

Tinh denied that VDC is trying to be the sole moneymaker from Internet value added services. However, he said the Internet should be controlled by a single organisation "to protect culture and national security."

"Other kinds of services, such as database development, are free for everybody," Tinh said. "They are encouraged to have their own servers, which may be connected to a national network."

Attempts by VNPT to control and monitor Internet activity would mean it is breaking out of its traditional activity of simply providing a communications service.

This is where the current struggle for control over the Internet in Vietnam lies.

"Internet is the combination of two different technologies: telecommunication and computing," Tinh said. "It is not clear now who should control it as a State agency. But the governing Directorate General of Post and Telecommunications (DGPT) is working with concerned authorities on this," Tinh said.

Currently, telecommunication activities are controlled by DGPT. Information technology development, however, is managed by the board of the IT-2000 programme, a high-level policy-making committee under the Ministry of Science Technology and Environment, which has given IoIT the responsibility to develop Internet access for Vietnam.

Any effort by VNPT to monitor computer message traffic would infringe on the responsibilities of State security organisations.

Tinh, however, insisted that anything that relates to information or message transmission is considered a telecommunication activity. "For example, data transmission belongs to VDC," he said.

VDC has been assigned by VNPT to conduct its own project to link Vietnam with the Internet. Tinh said that VDC has contracted with the US-based Sprint telecommunications company to establish a 64 kbit per second channel, which will operate around the clock. When completed within the next few months, Tinh said the channel may serve as many as 10,000 users.

"This will be the only high quality (wide-band) channel to link the Internet with Vietnam, in which we will develop a domestic network of the same quality and run it 24 hours a day," Tinh said.

"They (other Internet linkage developers) then have a choice, either to rent their own channels with high cost or use our network, which will be much cheaper," he said.

The expensive alternative to using existing telephone lines to carry Internet data would be to install separate communications links from scratch.

Tinh said that exploiting e-mail service is the privilege of VNPT and other e-mail developers cannot compete. "They will find it more appropriate to lease our network," he added.

Sources from VNPT said that VDC's project will be submitted with a proposal to take control over existing potentially profitable businesses including Netnam.

Concerns are being expressed that end-users here will be subject to the whims of the State entity if VNPT is successful in its bid to control Vietnam's only economically viable gateway to the Internet.

VNPT's total control of on-line value-added services "would be like a road constructor reserving the right to manage transportation and taxi services on the roads they built," said a local computer expert. He said that the Government, sooner or later, would come to realise that having only one entity in control of communications value-added services seriously cripples development in the fastest- growing sector of modern economies.

"The Ministry of Transportation never monopolises transportation services on the roads," Tinh said, continuing the analogy, "but not everyone can operate an airline route," meaning VNPT would reserve the right to control on-line services, but not exert that right on all of them.

"By acting as the sole provider, VNPT will negatively affect the process. They will discourage competition which spurs the development of this technology," the expert said.

"It's not completely true that VDC wants to hold (this business) in its hands," Tinh said. "But, the linkage with Internet must be within a certain limit, so that it can be easily controlled."

The increasing volume and complexity of electronic message compression and encryption, however, would make monitoring a technical and practical impossibility.

The Government, according to a DGPT official is looking into the Internet issue. The Government will "have a more detailed decision" after looking deeper into this issue. "But now the proposal is still being forwarded by VDC and VNPT," he said.

Assembly Deputies Continue Debate on Civil Code

BK0510155795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Oct 95

[FBIS Translated Text] The National Assembly continued debate on the civil code bill in the Conference Hall today under the direction of National Assembly Vice Chairman Phung Van Tuu.

Fifty-five deputies expressed their views: Do Quoc Thang of Lao Cai; Bui Bich Lien, Tran Ha Anh, and K'Tuat of Lam Dong; Lo Thi Luyen of Son La; Nguyen Van Duoc of Quang Ngai; Tran Thi Thanh Thanh, Hoang Dinh Cau, and Phan Thu of Ha Tay; Vuong Tan De of Vinh Long; Nguyen Van Sy and H'Nghia of Gia Lai; Hoang Thua of Ha Giang; Nguyen Van Thanh, Nguyen Tan Phat, Priest Phan Khac Tu, Chu Pham Ngoc Son, Doan Le Huong, and Vu Tuan Viet of Ho Chi Minh City; Hoang Thi Anh Nguyet and Ha Thi Lien of Thanh Hoa; Dinh Van The and Phung Van Toan of Vinh Phu; Dong Van Cao, Tran Van Phat, and Pham Nguyen Tuan of Hai Hung; Nguyen Nhu My of Nghe An; Danh Ut, Pham Van Minh, and Tran Van Nien of Kien Giang; Phan Minh Thanh and Nguyen Thi Hoai Thu of Tien Giang; Tran Van Ngau and Nguyen Van Binh of Ben Tre; Ton That Bach, Chu Duy Kinh, Le Xuan Tung, and Dinh Hanh of Hanoi; Nguyen Ngoc Tran of An Giang; Le Ngoc Sanh and Y Ngong Niet Dam of Dac Lac; Dinh Trung and Nguyen Van Thuan of Binh Thuan; Hoang Minh Thang and Nguyen Van Tri of Quang Nam-Da Nang; Le Duc Binh of Ninh Binh; Ha Van Cam and Nguyen Nhieu Coc of Hoa Binh; Nguyen Van Kha and Dang Khoi of Nam Ha; Tran Quoc Hai of Ha Tinh; Buddhist Bonze Thich Thien Sieu of Thua Thien-Hue; Le Van Truyen of Lai Chau; Nguyen Van Minh of Song Be; and Mai Thanh An of Minh Hai.

Their opinions concentrated on the following points:

— Chapter I: General stipulations.

— Chapter II: Individuals — conditions for guardianship; rights and duties of guardians and children under their care; rights of physical safety; and issues relating to marriage and family such as marriage rights, marriage registration, rights and duties of husband and wife, birth declaration, inheritance, child's recognition of biological parents, family and household registration, and confirmation of missing and dead persons.

— Chapter III: Juridical entity — principles to differentiate juridical entities from family households and cooperative teams.

— Chapter IV: Family households and cooperative teams — origin, conception, organizational principles, and conditions to establish households and cooperative teams.

During the debate, Comrade Nguyen Dinh Loc, chief of the compilation committee for the civil code, explained some issues at the request of the National Assembly deputies. National Assembly Vice Chairman Phung Van Tuu provided further explanations on some issues raised by the National Assembly deputies.

The National Assembly will continue to debate the civil code bill in the Conference Hall tomorrow.

Australia

Minister Urges EU To Pressure France

LD0610101695 Melbourne Radio Australia in English 0700 GMT 6 Oct 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, has urged the European Union to step up the pressure on France to abandon its nuclear testing program in the South Pacific. Senator Evans told a media conference in the Spanish capital of Madrid that the whole world was concerned and affected. He said France and China, which has recently carried out underground tests, have put at risk the credibility and effectiveness of the nuclear non-proliferation regime.

Senator Evans said most countries see the test as a serious backward step away from the objective of the elimination of nuclear weapons. Australia has been in the forefront of regional protest against the current series of French nuclear tests in the South Pacific.

French Envoy Says Nuclear Tests To Continue

LD0610104995 Melbourne Radio Australia in English 1000 GMT 6 Oct 95

[FBIS Transcribed Text] The French ambassador to Australia, Dominique Girard, has said France will continue its nuclear testing program in the South Pacific. He also said that some Australian schoolchildren were being brainwashed against France by incorrect information from their teachers. Tanuta Gasahi, the ambassador told a group of foreign correspondents in Sydney that France was acting properly.

[Gasahi] He spent over an hour explaining France's decision to conduct its nuclear tests in the Pacific, saying it was a matter of French defense policy. M. Girard also said some Australian schoolchildren were being brainwashed against France by teachers giving out wrong information. He says France will proceed with its testing:

[Begin Girard recording] It is rather useless and rather futile to pretend again that France is yielding to pressure, or that it is suffering as a result of its policy. We will go ahead. [end recording]

Keating Rejects Call for Closer Ties With U.S.

LD0610100395 Melbourne Radio Australia in English 0700 GMT 6 Oct 95

[FBIS Transcribed Text] Australia's prime minister, Paul Keating, says friendship and cooperation with Australia's neighbors is the nation's best defense. Mr. Keating has dismissed a call by the opposition leader John Howard to rebalance defense ties and restore emphasis to Australia's relationship with the United States. Mr. Keating said the recent Kangaroo '95 defense exercises involved 2,000 American troops, there are at present three U.S. warships in Australian ports and exercises have just begun with American marines. Mr Keating said the opposition leader's underlying message is a fear of South-East Asia:

[Begin Keating recording] Here he is basically espousing a 1950s defense policy for Australia. Closer ties, he calls it, with the United States. Fear of the region. And the only map that John Howard wants to see is the one with the big red arrows coming down again towards Australia so he can run around beating up fear about the strategic environment, a threatening strategic environment we live in. [end recording]

French Polynesia

Demonstrators March To Protest Nuclear Tests

LD0610095295 Melbourne Radio Australia in English 0700 GMT 6 Oct 95

[FBIS Transcribed Text] About 1,000 demonstrators have marched near Papeete, the capital of French Polynesia, in a flaming torch procession to protest against France's nuclear test program. Police adopted a low profile as the marchers moved straight in through the streets of Faaa, a poor district that is a stronghold of Tahiti's pro-independence movement. The march began with a vigil at a monument where protestors commemorated Polynesians who died in combat with the French last century and also about 50 Polynesians who are still in prison after being arrested during last month's antinuclear riots. The marchers, singing hymns, then moved into the grounds of the town hall where they were addressed by pro-independence leaders. Earlier it was announced that the territorial parliament will debate a motion calling on France to accept unlimited liability for the health and environmental effects of its nuclear testing program.

Parliament To Debate French Liability for Tests

BK0610073595 Melbourne Radio Australia in English 0500 GMT 6 Oct 95

[FBIS Transcribed Text] French Polynesia's parliament is to debate a motion calling on France to accept unlimited liability for the health and environmental effects of its nuclear testing program. South Pacific correspondent Erina Reddan reports that the planned debate follows accusations that Australia and New Zealand have incited racial hatred against France.

[Begin Reddan recording] Local government president Gaston Flosse used the opening of the parliamentary session to accuse the Tavini Independence Party and unions of orchestrating last month's riots after the first French nuclear test. He says Australia, New Zealand, and Greenpeace were behind the local group inciting them to racial hatred against the French.

Tavini's leader, Oscar Temaru, has dismissed the claims as defamatory. Meanwhile, the parliament will debate France's health and environmental responsibility for the nuclear tests as well as a motion seeking to overturn the 1964 decision ceding the testing site Mururoa and Fangataufa atolls to France. [end recording]

Flosse Blames Australia, NZ for 'Subversion'

BK0610031595 Melbourne Radio Australia in English 0100 GMT 6 Oct 95

[FBIS Transcribed Text] The leader of French Polynesia says Australia and New Zealand are behind the wave of subversion that has arisen over the past few months. Erina Reddan reports from Papeete:

[Begin Reddan recording] French Polynesian leader Gaston Flosse told the local parliament that last month's rioting after the first French nuclear test was not a spontaneous outpouring of antinuclear fervor. Rather, he said, it was organized action by political and union groups. He accused the Tavini Independence Party of being responsible for what he called subversion.

He went on to say that local governments relied on Australia, New Zealand, and international organizations such as Greenpeace for their goal. Mr. Flosse claimed these include a hatred of France and a will to expel it from the Pacific. Mr. Flosse is resisting pressure from antinuclear groups inside French Polynesia to allow a parliamentary debate on nuclear testing. [end recording]

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